No. 3. *October Sessions, 1888.*

IN THE

Circuit Court of the United States,

For the Eastern District of Pennsylvania.

IN EQUITY.

The Holly Manufacturing Company

vs.

The New Chester Water Company; The South Chester Water Company; The Bienville Water Supply Company; William G. Hopper and Harry S. Hopper, trading, &c.; Richard Wood, George Wood, Walter Wood, and Stuart Wood, trading, &c.; and William Bucknell.

PLAINTIFF'S TESTIMONY.

ROWLAND EVANS,
R. L. ASHHURST,
L. F. & G. W. BOWEN,
Solicitors for Complainant.

HON. WILLIAM WARD,
Solicitor for the Water Companies.

R. C. DALE,
SAMUEL DICKSON,
Solicitors for R. D. Wood & Co.

WILLIAM C. HANNIS,
Solicitor for William G. Hopper & Co. and William Bucknell.

ALLEN, LANE & SCOTT, PRINTERS, PHILADELPHIA.

IN THE CIRCUIT COURT OF THE UNITED STATES FOR THE EASTERN DISTRICT OF PENNSYLVANIA.

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October Sessions, 1888.

No. 3.

SATURDAY, September 28th, 1889, 10.30 A. M.

Testimony taken before E. Z. Brailey, Examiner, at office of R. L. Ashhurst, Esq., 225 South Sixth Street, Philadelphia, Pa.

Present—R. L. Ashhurst, Esq., and G. W. Bowen, Esq., for plaintiffs; William C. Hannis, Esq., for William G. Hopper & Co. and William Bucknell; R. C. Dale, Esq., and Samuel Dickson, Esq., for R. D. Wood & Co. Mr. Dale states that Mr. William Ward will be represented by him in his (Mr. Ward's) absence.

Counsel for plaintiff offers in evidence certificate of incorporation of the Penn Water Company, dated 6th June, 1885 (marked "Exhibit A, September 28th, 1889, E. Z. B.").

Also, certificate of incorporation of the Upland Water Company, dated 6th June, 1885 (marked "Exhibit B, September 28th, 1889, E. Z. B.").

Also, certificate of incorporation of the South Chester Water Company, dated 6th June, 1885 (marked "Exhibit C, September 28th, 1889, E. Z. B.").

Also, certificate of incorporation of the New Chester Water Company, dated 6th June, 1885 (marked "Exhibit D, September 28th, 1889, E. Z. B.").

SAMUEL R. BULLOCK, having been duly sworn, was examined as follows:—

By MR. ASHHURST:

Q. You are a member of the firm of Samuel R. Bullock & Co.?

A. I am; yes, sir.

Q. Where do you reside?

A. In Brooklyn, N. Y.

Q. What is your business?

A. Contracting.

Q. Are you specially engaged in putting up water-works?

A. I have been; yes, sir.

Q. Did you put up water-works at Chester?

A. Yes, sir.

Q. Please state when your attention was first drawn to Chester, and what the beginning of that enterprise was, giving a history thereof.

A. In the latter part of the year 1886, or the early part of 1887, my attention was called to Chester. I have forgotten just who originally brought it to my notice, but at the time when it was called to my attention I had been having some financial transactions with the firm of William G. Hopper & Co., in Philadelphia, and for some time previous to that, and that firm had been advancing me quite a good deal of money in connection with various operations in which I had been engaged. I spoke to Mr. H. S. Hopper, of that firm, about what I had heard concerning Chester, and asked him, if I could succeed in getting that affair into shape, whether his

firm would care to handle the securities, make the advances as the work went along, &c. I asked that question because the secretary of the New Chester Water Company, as it then existed, who was Mr. William H. Miller, was right here in Philadelphia, and I supposed that he possibly might know something of Mr. Miller. I have forgotten whether he knew him previously or not, but, at any rate, he and Mr. Miller became acquainted, I think, by Mr. Miller calling upon him, and they talked the matter over. I called on Mr. Miller, and, after considerable conversation and visiting back and forth between New York and Philadelphia on the part of Mr. Miller and myself, an arrangement was perfected whereby the *personnel* of the New Chester Water Company was subordinated to the management, direction, and control of my firm, based upon the idea that we would carry out the objects for which that company was incorporated.

Q. About when was this?

A. Early in 1887—along, probably, in February or March.

Q. Who had charge of the affairs of the New Chester Water Company at that time?

A. William H. Miller, the secretary, was the active man in the company.

Q. Who were the other officers?

A. J. L. Forwood was the president, and, I think, Mr. Miller was treasurer as well as secretary. There were other names that filled up the directorate, which names I have forgotten.

Q. Was an agreement in writing made between you at that time?

A. About that time Mr. Miller and I made a preliminary agreement; yes, sir.

Q. (Paper shown witness.) Is that the agreement?

A. It is; yes, sir.

(Agreement, dated 18th November, 1886, produced by witness, being agreement between William H. Miller, attorney for the New Chester Water Company, and Samuel R. Bullock & Co., offered in evidence by counsel for plaintiff, and marked "Exhibit E, September 28th, 1889, E. Z. B."

Counsel for R. D. Wood & Co. object to the admission of

this writing in evidence as incompetent and irrelevant as to Wood & Co.

Also objected to by Mr. Hannis on behalf of Hopper & Co. and Bucknell for the same reasons.)

Q. (Another paper shown witness.) What is that paper?

A. It is an agreement between the stockholders of the New Chester Water Company, the South Chester Water Company, the Upland Water Company, and the Penn Water Company, and the firm of Samuel R. Bullock & Co., dated December 9th, 1886.

Q. Was that made a part of the same transaction?

A. It was made in consequence of the agreement that has just been shown me.

(Said agreement between the four water companies of the first part, J L. Forwood, John Dutton, Joseph T. DeSilver, and William H. Miller, parties of the second part, and Bullock & Co., of the third part, offered in evidence by Mr. Ashhurst, and marked "Exhibit F, September 28th, 1889, E. Z. B.")

Mr. Dale objects to the above on behalf of R. D. Wood & Co., and also on behalf of the water companies defendants, as incompetent and irrelevant.

Mr. Hannis also enters the same objection as to Hopper & Co. and Bucknell.

The witness is asked to look at certain letters produced by him, and to state what they are.

He replies: These are a number of letters running from November 24th to December 13th, 1886, which the firm of Samuel R. Bullock & Co. received from William H. Miller in connection with this negotiation concerning the purchase of the interests of the stockholders of the New Chester Water Company, the South Chester, the Penn, and Upland Companies.

Mr. Ashhurst offers said letters in evidence, being letters dated November 24th, 1886 (marked "Exhibit G, September 28th, 1889, E. Z. B."); November 27th, 1886 (marked "Exhibit H, September 28th, 1889, E. Z. B."); November 30th, 1886 (marked "Exhibit K, September 28th, 1889, E. Z. B."); also letter, same to same, without date (marked "Exhibit K½,

E. Z. B., September 28th, 1889"); December 1st, 1886 (marked "Exhibit L, September 28th, 1889, E. Z. B."); December 2d, 1886 (marked "Exhibit M, September 28th, 1889, E. Z. B."); December 7th, 1886 (marked "Exhibit N, September 28th, 1889, E. Z. B."); December 10th, 1886 (marked "Exhibit O, September 28th, 1889, E. Z. B."); December 13th, 1886 (marked "Exhibit P, September 28th, 1889, E. Z. B.").

Mr. Dale, on behalf of R. D. Wood & Co. and the water companies defendant, objects to all of the above letters on the ground that they are, as to them, incompetent and irrelevant.

The same objection is entered by Mr. Hannis as to Hopper & Co. and Bucknell.)

Q. What was the result of that agreement as regards your interest in the matter—what did you acquire and what did you give?

A. The result of the negotiation between Mr. Miller and myself was that the firm of Samuel R. Bullock & Co. acquired a controlling interest in the stock of the four companies, and there was a condensation or taking in of the smaller companies on behalf of the larger ones. A contract was made between the larger companies which absorbed the smaller ones in the firm of Samuel R. Bullock & Co., whereby that firm agreed to build for the water companies a set of works in accordance with certain plans and specifications, and agreed to accept in payment therefor the securities of the water companies.

(Mr. Dale enters a general objection on behalf of the defendants, R. D. Wood & Co. and the water companies, to the question and answer just given and to all further evidence in the same line.

Mr. Hannis enters the same objection.)

Mr. Ashhurst (to the witness):—What did you pay, if you remember, in round numbers, if anything?

A. My recollection is that the firm agreed to pay Miller $15,000, and to take care of a person in Boston who had a monetary interest in some way. He had been advancing money to the companies prior to my having anything to do with them, and we were to take care of him and pay Miller $15,000.

Q. Did you pay that?

A. Yes, sir; in cash and notes.

Q. You say you acquired a controlling interest. How much did you acquire—the whole; or was any part left out of any of these companies which you did not take?

(Objected to by Mr. Hannis. If this is in writing it will speak for itself.)

A. My recollection is that some stock was to be paid in addition to the money consideration.

Q. To whom?

A. To Mr. Miller.

Q. Did you acquire all the rest of the stock that you were to have?

A. The firm did; yes, sir.

Q. What was the next step, if you remember it?

A. The next step was to go ahead and do the work in accordance with our contract.

Q. Do you remember some other agreements made about March, 1887?

A. There were quite a number of agreements made about that time; yes, sir.

Q. These two agreements that you have referred to were made when?

A. In the latter part of 1886.

Q. What was done in March, 1887, if you remember?

A. That must have been about the time that the water companies made a contract with the firm of Bullock & Co. to build the works.

Q. Do you remember any other steps taken; were there any new companies formed?

A. I do not know that I take in exactly the meaning of your question.

Q. I mean did you form any other companies, or did you simply deal with these four companies which you have mentioned?

A. There were no new companies formed; no, sir.

Q. You say that in March, 1887, you made a contract for the building of the works?

A. It might have been about that time; yes, sir. I think it was in March, 1887.

Q. Have you the original of that contract?

A. I do not think I have.

Q. What did you do with most of the original papers in this matter, if you remember?

A. They were kept in a tin box in my office that was stenciled on the outside "The New Chester Water Company," or "Chester," simply; the word "Chester," I think.

Q. Did you deliver any of these papers to any one?

A. Some papers were placed in the possession of Mr. Charles M. Berrian.

Q. Do you remember the delivery of any paper to Mr Garrett for the Messrs. Wood?

A. That was along in the latter part of 1888, after I had made an assignment. Messrs. R. D. Wood & Co., by virtue of that assignment, took everything relating to the companies in which they became interested by the terms of the assignment that I had made.

Q. (Receipt shown witness.) Look at that receipt, and state if you know the paper.

A. I do; yes, sir.

Q. Did you receive that receipt through your attorney for the papers therein mentioned?

A. Through Mr. Berrian; yes, sir.

Q. Mr. Berrian was your attorney at that time, was he?

A. Yes, sir.

(Mr. Ashhurst offers in evidence said receipt, signed by Biddle & Ward, attorneys for R. D. Wood & Co., and by Jesse Garrett for R. D. Wood & Co., as follows:—

"Chester Companies—nine subscription-books; three cash-books; three minute-books; agreement South Chester Water Company with New Chester Company; level and transit books; six newspapers with advertisements; agreements New and South Chester Water Companies, Farmers' Loan and Trust Company; also duplicate of same; four original registries; certificate of commencement of work; four applications

for incorporation; four sets tax receipts; package of notices of publication; assignments of shares by sundry stockholders; statement of South Ward Water Company, 1886; receipts for water fees for four company canceled stock certificates, Upland, South Chester, and Penn; various papers purchased of Charles E. Hubbard, Boston.

Chester Companies—three specimen bonds; charges against Malcolm Peters certified; copy of papers relating to second increase of stock; extracts from Chester newspapers; various papers, originals and copies, relating to purchase South Ward Water Works; three deeds and one declaration of trust relating to Chester Water Works proper; tripartite contracts (original) South Ward Water Works and others; resignations of sundry officers; list of papers in possession C. E. Hubbard; report of superintendent New Chester Works; communications by Bullock & Co.; form of proposed bond; certified copy of papers relating to first increase of stock; statements showing expenditures of South Ward Water Works, 1887; copies of letters patent from four companies.

Bienville Supply Company, two minute-books received from C. M. Berrian, the above papers which are to be turned over to the proper officers of the respective companies on demand.

BIDDLE & WARD,
Attorneys R. D. Wood & Co.

JESSE GARRETT,
For R. D. Wood & Co.

NOVEMBER 15th, 1888."

Mr. Ashhurst calls upon Mr. Dale for the production of the papers mentioned in said receipt.

Mr. Dale replies that any papers received by his clients will be either produced or accounted for.)

MR. ASHHURST (to the witness):—You say that you have not the originals of the construction agreements?

A. I think not.

Q. (Other papers shown witness.) Please look at these papers. Are you able to say whether they are copies of them or not?

A. These appear to be copies of contracts of Samuel R. Bullock & Co. with the New Chester Water Company and the South Chester Water Company respectively.

(Mr. Ashhurst offers said copies in evidence, subject to correction by the originals, or the originals to be substituted, if desired (marked "Exhibits Q and R, September 28th, 1889, E. Z. B.").

Mr. Hannis objects to the offer of the copies until the originals have been accounted for.

Mr. Ashhurst makes a further call upon the water company for their duplicates of said originals.)

MR. ASHHURST (to the witness):—At the time of these contracts who else, if any one, was interested in the South Chester and New Chester Water Companies besides your firm?

(Mr. Dale renews his objection to this line of examination as incompetent and irrelevant.

Mr. Hannis also objects.)

THE WITNESS:—That is another question that I do not quite understand.

By MR. ASHHURST:

Q. I mean to say who owned the stock of these companies besides yourselves at the time of these contracts?

(Objected to by Mr. Hannis; the Stock-Certificate-Book will show.)

A. I do not remember the names of the other stockholders. There were other stockholders, however, besides the firm. There was Forwood and Miller. I have forgotten the names of all of them, but there were other stockholders.

Q. Had these gentlemen received their stock under any agreement with you?

A. No, sir.

Q. Some of them were directors and officers of the companies?

A. Some of them were; yes, sir.

Q. Were any steps taken at that time to increase the stock of the companies?

A. My recollection is that the stock of the companies was increased.

Q. At about that time?

A. At or before that time.

Q. Do you mean March, 1887?

A. Yes, sir.

Q. At that time there had not been any work done, had there?

A. There had been work done; yes, sir; but not to any great amount.

Q. Had work been done by you?

A. No, sir; by a previous contractor.

Q. That had been paid for in your $15,000, hadn't it?

A. It was to have been paid for.

Q. I mean to say it was included in those notes that you had given, was it not?

A. Yes, sir.

Q. You had not yet begun?

A. I have forgotten the date at which we began work.

Q. It was after the construction agreement was signed, I suppose, was it not?

A. Probably.

Q. What property did the companies have, to the best of your memory, at that time?

(Objected to by Messrs. Hannis and Dale.)

A. I do not think they had very much tangible property except their charters.

Q. Do you remember agreements of sale being made at that time by the Penn Water Company, and the Upland Water Company to the South Chester Company?

A. There was a sale made of the two smaller companies to the South Chester Company; yes, sir.

Q. Have you the original agreements of sale?

A. I have not.

Q. Look at the papers which I now hand you, and state what they are, if you can say anything about them?

A. They appear to be copies of the agreements of sale to which you referred in your previous question.

(Mr. Ashhurst offers in evidence said copies, subject to correction by the originals, which are marked "Exhibits S and T, September 28th, 1889, E. Z. B."

Objected to by Mr. Hannis as incompetent and immaterial under the pleadings in this case.

Mr. Dale also objects to said papers on account of immateriality.)

Mr. Ashhurst (to the witness) :—Do you remember the execution of two mortgages or trust deeds at or about that same time to the Farmers' Trust and Loan Company by those two companies?

A. The mortgages were made and bonds issued in accordance therewith.

Q. Do you remember the date?

A. No, sir.

Q. (Handing paper to witness.) Was it April 1st, 1887?

A. The mortgages were made, and these appear to be typewritten copies of them.

(Mr. Ashhurst offers in evidence copies of said mortgages, subject to correction by the originals, which are marked by the Examiner "Exhibits U and V, September 28th, 1889, E. Z. B.")

Q. What property, if any, had the companies at the time of the execution of these mortgages, April, 1887, ten days after the construction agreement?

(Objected to by Messrs. Hannis and Dale.)

A. I have forgotten what they did have.

Q. Had they any real estate at that time, if you remember?

A. I do not remember.

Q. You had not done any work there at that time, had you?

A. That I do not remember.

Q. Do you remember at the time of your acquisition of these interests there being a contest with the city of Chester, or with some corporation called the South Ward Water Board?

A. No, sir; there was no contest between the South Ward Water-Works and the city of Chester.

Q. I mean between your water companies and this outstanding company.

A. There was one that came on after I began to work actively down there.

(Objected to by Messrs. Hannis and Dale.)

Q. That contest was subsequently settled by agreement?

A. It was settled in a very unfortunate way for the new companies and myself by being compelled to pay a very exorbitant price for the plant of the old concern.

Q. Do you remember the date of that settlement?

A. No, sir; I have forgotten that.

Q. Can you say whether it was before or after the construction agreements?

A. My impression is that it was after. I do not remember about that, and I cannot state positively, though I have been trying to think. Yes; it was after. I am quite positive of that now.

Q. It was some three months afterwards, was it not?

A. It was afterwards; yes, sir.

Q. What was the general nature of that agreement?

(Objected to by Messrs. Hannis and Dale.)

Q. Did you take part in this negotiation or agreement?

A. Yes, sir; I was an active party in the negotiation, but I have forgotten. I do not think our firm had anything to do with the signing of the agreement. I think there was an agreement on behalf of the city, the South Ward Water-Works, and the New Chester Water Company.

Q. (Paper handed witness.) Please look at that paper, and state what it is.

A. It appears to be a type-written copy of said agreement.

(Mr. Ashhurst offers said document in evidence subject to correction by the original, and it is marked by the Examiner "Exhibit W, September 28th, 1889, E. Z. B."

Objected to by Messrs. Dale and Hannis as irrelevant.)

By Mr. Ashhurst:

Q. Please look at the paper which I now hand you, and state whether you remember it as a supplemental agreement to the previous one.

A. It appears to be a copy of the supplemental agreement

(Mr. Ashhurst offers in evidence copy of said supplementa

agreement, which is marked by the Examiner, "Exhibit X, September 28th, 1889, E. Z. B."

Objected to by Messrs. Hannis and Dale for the same reason.)

Q. Do you remember how the settlement was made with the old company of the water board—do you remember anything about a certificate of deposit in the Chester National Bank?

A. Yes, sir.

Q. State what that transaction was.

(Objected to by Messrs. Hannis and Dale.)

A. I had arranged with the firm of William G. Hopper & Co., to make advances on the securities of the water companies, to enable me to go ahead with the prosecution of the work connected with the performance of my contract, and when I found that there was such an overwhelming objection on the part of the citizens of Chester, who were influenced by the water board of the old South Ward Water-Works Company, which was a semi-municipal corporation, having more or less political power under its control, I concluded that the best thing to do was to buy that concern out and settle with it amicably, instead of going ahead and building our plant under our original charter. I had already needed a very much greater amount of money to be advanced than had been agreed upon between Messrs. Hopper and myself, and I stated the case to them, and made application to them for the additional money which they gave to me. It was paid over on behalf of the performance of the covenant entered into by the New Chester Water Company and the South Ward Water-Works and the city of Chester. A portion of that agreement called for the deposit of a specific sum in the Chester National Bank, and that sum is a portion of the advances that were made to me by Messrs. Hopper & Co.

Q. (Paper shown witness.) Can you state whether that is a copy of the certificate of deposit?

A. I cannot say. I do not think I ever saw the original.

Q. As part of that settlement what was done with the property of the old company?

A. That property came into my possession just the same as if it had been new material that had been furnished under the provisions of my contract with the New Chester Company.

Q. Do you remember an order being given by the New Chester Water Company in your favor for the receipt of that property?

A. Yes, sir.

Q. (Paper handed witness.) Does that appear to be a copy of said order?

A. It does; yes, sir.

(Mr. Ashhurst offers said paper in evidence, which is marked by the Examiner, "Exhibit Y, September 28th, 1889, E. Z. B."

Objected to by Messrs. Hannis and Dale as irrelevant.)

Q. Do you remember an assignment of the outstanding accounts?

A. Yes, sir.

Q. (Paper shown witness.) Is that a copy of it?

A. It appears to be a copy of the assignment.

(Mr. Ashhurst offers said copy in evidence, which is marked by the Examiner, "Exhibit Z, September 28th, 1889, E. Z. B."

Objected to by Messrs. Dale and Hannis: First, because it is a mere unexecuted copy; and, secondly, that it is irrelevant.

Mr. Ashhurst states that all copies of papers offered in evidence by him are subject to correction by the originals.)

Q. You have mentioned that you had made an agreement with Mr. Hopper for the making of advances previous to this time. Can you state the date approximately of that agreement?

A. No, sir; I do not remember it. It must have been in the early part of 1887.

Q. Was it in writing?

A. Yes, sir.

Q. Have you that writing?

A. I have not.

(Mr. Ashhurst calls upon counsel for Messrs. Hopper & Co. to produce agreement in question, to which counsel reply that it will be produced if it is in their possession.)

Q. Do you remember whether it was in one copy or in duplicate?

A. I do not remember that, but the probability is that it was made in duplicate?

Q. Do you remember whether there was more than one agreement—whether there was a second agreement made, and if so, at what time?

A. Yes, sir; there was a second agreement made. It was after I had had paper to go to protest and began to get in very grave monetary difficulties.

Q. Was that some time later?

A. Yes, sir; quite some time later.

Q. Was there a second agreement made at the time when you had to make this deposit for the water board of which you have spoken, or was that done under the old agreement?

A. My recollection is that at the time this large amount of money was called for there was a supplemental agreement made which contained a special provision for this advance.

Q. Was that in writing?

A. My impression is that there was a written agreement.

Q. Have you a copy of that supplemental agreement?

A. No, sir; I think not.

(Mr. Ashhurst calls upon counsel for Messrs. Hopper & Co. to produce said agreement, to which counsel reply that that they will examine and produce the same if it is in their possession.)

Q. Did the old company own any real estate?

A. Yes, sir.

Q. What was done with it?

A. I think it was transferred to my name.

Q. It was transferred to you personally, was it not?

A. Yes, sir; not to the firm, but to me personally.

Q. Did you then continue with the work?

A. Yes, sir.

Q. In the course of that, did you make an agreement with the Holly Manufacturing Company, the plaintiffs in this suit?

A. Yes, sir.

Q. (Paper shown witness.) Look at that paper, and state what it is.

A. That is a duplicate original of the contract entered into between Samuel R. Bullock & Co. and the Holly Manufacturing Company. It was executed in duplicate.

(Mr. Ashhurst offers said document in evidence, which will be found printed as Exhibit B to the bill.)

Q. State what the Holly Company did under this contract.

A. They went ahead, built the engines, delivered them, and set them up in accordance with the terms of the contract.

Q. Who put the engines up, if you remember?

A. The Holly Manufacturing Company.

Q. Do you remember anything about the operation of the engines—who operated them?

A. Their man did.

Q. Under the terms of the contract?

A. Yes, sir.

Q. Do you remember his name?

A. John Lockman, I think.

Q. You had a number of contracts with different parties, had you not, for the supply of the material for that work?

A. Yes, sir.

Q. Do you remember at any time the Messrs. Hopper & Co. asking to see your contracts?

A. When they had made advances up to a certain point and I needed more money to complete the works in consequence of the large sum that had to be paid for the South Ward Water plant, and in addition to that fact, as I said a few moments ago, when I was in monetary troubles, Messrs. Hopper & Co. wanted to know just how much more money it would take. There were a number of statements made to them and a number of conversations had with them, and they declined doing anything further until I had made an arrangement with Mr. Walter Wood, of the firm of R. D. Wood & Co., whereby there was an additional advance obtained.

Q. Was that agreement in writing?

A. There was an agreement made at that time; yes, sir. Finally there was an agreement settled upon, under the terms of which further advances were made.

Q. Did you exhibit or produce to them the contracts with your different material men, including the Holly Company?

A. I don't think there were very many written contracts except this with the Holly Company. It was a peculiar contract. I showed a copy of that contract to Messrs. Hopper & Co. In fact, they had it. I think I took them a copy, and left it with them.

Q. About when was that?

A. It was subsequent to August, 1887. In August I got into difficulties, and it was subsequent to August. I was trying to arrange this matter from August up until October, when it was finally consummated.

Q. And it was between that period?

A. Subsequent to the early part of August and whenever this agreement was made in October.

Q. It was then that you gave this copy of the contract to Mr. Hopper?

A. Yes, sir.

Q. Has that copy ever been returned to you?

A. No, sir.

Q. Was that produced by you also to the Messrs. Wood?

A. My recollection is that I made two copies which I took over to Philadelphia, and one I left with Messrs. William G. Hopper & Co., and the other with R. D. Wood & Co.

(Mr. Ashhurst calls upon counsel for the other side for the production of the tripartite agreement of October 26th, 1887.

Counsel for R. D. Wood & Co. reply that they will produce said agreement, but that a copy of it is already annexed to the pleadings, and execution admitted.

Mr. Hannis states that he admits the above referred to as substantially a copy of the contract in question.)

MR. ASHHURST (to the witness):—When you took over these two copies that you have mentioned, and furnished them to these parties in Philadelphia, about when was that as compared with the date of the tripartite agreement—was it before or at the time?

A. It must have been before.

Q. Please proceed now with the history of the operation. You have said that you were embarrassed in getting on and completing it, and that you succeeded in getting this tripartite agreement?

A. Yes, sir. That agreement was carried out in its entirely on the part of Messrs. Hopper & Co. and R. D. Wood & Co. They made the advances, and the work went on. Finally, in November, 1888, I made an assignment prior to the entire completion of the plant at Chester.

Q. Had you paid the Holly Company?

A. Only partially.

Q. How much?

A. I think I had made one payment on account of pumps at Chester, $8333.33.

Q. Leaving due them the balance of the contract price?

A. Yes, sir.

Q. Did you communicate at any time to Messrs. Wood and Hopper what amount was due the Holly Company, or the amount that was paid them?

A. I think so.

Q. Who was Mr. E. F. Fuller?

A. He was the chief engineer of the New Chester Water Company.

Q. Was he also in your employ?

A. He had been in my employ on different occasions; yes, sir. I had used him for engineering work.

Q. Who paid him while he was so employed as chief engineer?

(Objected to by Mr. Hannis as irrelevant.)

A. He received such funds as he did receive from me.

Q. Who was Mr. E. Woltman?

A. He was a clerk in my office; in fact, my confidential clerk, who held my power of attorney.

Q. Did he hold any position in the New Chester Water Company?

A. Yes, sir.

Q. What position?

A. Mr. Woltman was the treasurer of the New Chester Water Company.

Q. Can you say whether or not he was a director?

A. I think not.

Q. Of which company was he the treasurer?

A. The New Chester Water Company.

Q. What relation did he have to the South Chester Company?

A. I do not remember. It is probable that he was treasurer also of that company.

Q. The contracts produced show that statements were to be made from time to time stating the amount of the material furnished and labor done in the construction. Was that arrangement carried out?

(Objected to by Mr. Hannis.)

A. Yes, sir.

Q. (Book shown witness.) What is that book?

A. This is a book which on account of its size contained copies of such written documents as were made out from time to time in the course of business, that from their length, being made out on legal cap, could not go into the ordinary sized letter-book. There are quite a number of statements here as to work done and material furnished in a great many different water companies that I had to do with, and there are also statements about stock ownership. There are copies of different statements that were submitted to Messrs. Hopper & Co. and Wood & Co. This is a letter-press copy-book.

Q. Please turn to page 126 of that book and state what it appears to be. In whose handwriting is it?

A. That is in Mr. Woltman's handwriting.

(Objected to.)

Q. Have you any memory of it?

A. This was one of several similar documents that were prepared, copied from the original papers that were made out by Mr. Fuller. This was signed by Mr. E. F. Fuller, chief engineer, so that it is a copy of his original paper.

Q. Where is the original paper of which that is a copy?

A. That I don't know.

Q. In the ordinary course of business where would it be?

A. It should be with Mr. Woltman, treasurer of the company.

Q. It should be with the New Chester Water Company?

A. Yes, sir; the original of it should.

Q. What would you say as to the paper on page 127?

A. That is a similar document relating to the South Chester Water Company; a similar copy.

Q. Is that also in Mr. Woltman's handwriting?

A. Yes, sir.

Q. At the foot of that is written in lead pencil "Withdrawn;" in fact, both of them are marked "withdrawn." In whose handwriting is that?

A. I think that is Mr. Woltman's writing also. I would not swear to it, but it looks like it. I would not speak positively as to that.

Q. At page 128 there appears to be another statement or certificate, marked "Voucher No. 1." What have you to say as to that?

A. That is a similar document relating to the South Chester Water Company.

Q. Is that also in the same handwriting?

A. No, sir; I think that is in the handwriting of a young man named Hills, who was in my employ at that time. It is not the same writing.

Q. Where should that paper be?

A. The original is signed by E. F. Fuller, and should be in the papers of the South Chester Water Company.

Q. On page 128 is a document marked "Voucher No. 2." What have you to say as to that?

A. That is in the same writing as the one just spoken of, and the original should be with the South Chester Water Company.

Q. On page 130 there is a paper marked "Voucher No. 3." What have you to say as to that?

A. That is in Mr. Woltman's handwriting, and the original should be with the South Chester Water Company.

Q. On page 131 appears a copy of certificate marked "Voucher No. 1, New Chester Water Company." What have you to say as to that?

A. That is in the handwriting of Mr. Hills.

Q. Where should the original of that be?

A. With the New Chester Water Company.

Q. On page 132 I observe a paper marked "Voucher No. 2, New Chester Water Company." What have you to say as to that?

A. That is in the handwriting of Mr. Woltman, and should be with the New Chester Water Company.

Q. Please turn to page 133, and state about that.

A. That is in Mr. Woltman's handwriting, and is a copy of a like certificate to the New Chester Water Company, and should be with them.

Q. Please turn to page 148, and state about that.

A. That is a similar document in Mr. Woltman's handwriting, the New Chester Water Company.

Q. Please turn to page 150, and state about that.

A. That is in Mr. Woltman's handwriting, the New Chester Water Company, being a like certificate.

Q. Please turn to page 151, and state about that.

A. That is a statement of expenditures made in the construction of the works of the New Chester Water Company up to September 1st, 1887, and is in Mr. Woltman's handwriting.

Q. What was done with that?

A. The original of that was handed to Messrs. William G. Hopper & Co.

Q. By whom?

A. By myself.

(Mr. Ashhurst calls upon counsel for Messrs. Hopper & Co. for the production of said original.

Mr. Hannis replies that if he has such it will be produced.)

MR. ASHHURST (to the witness):—Please turn now to page 152, and state about that.

A. That is a copy of another paper, similar to the above, that was handed in to Mr. Hopper about the same time. It is partly type-written and partly in Mr. Woltman's handwriting.

(MR. Ashhurst calls upon Mr. Ward for certificates from July 1st, 1887, to August 31st, 1887, signed by Mr. Fuller.)

Q. State whether you received the bonds and stock which were directed to be issued to you according to those certificates?

A. I did.

Q. Who issued them to you?

A. They were issued on the order of the president of the company, Dr. Forwood, which order was addressed to the trustee. The trustee delivered the bonds to me.

Q. What was the form as to the stock?

A. That was signed, I think, by the president and secretary.

Q. Was it sent to you direct?

A. Yes.

Q. It did not go through any trust company?

A. No, sir.

Q. What did you do with the bonds and stock?

A. I hypothecated them for loans obtained from Messrs. Hopper & Co.—the major portion of them.

Q. Can you say what portion of them you did not so use?

A. I have forgotten just how many, but there were some few bonds that were placed in other directions.

Q. About how many?

A. Less than fifty; probably forty odd. I have forgotten just how many.

Q. They were bonds of which company?

A. Of the New Chester Water Company.

Q. With whom were they placed, if you remember?

A. There were loans obtained on a portion of them from one or two parties, which loans were subsequently paid off by R. D. Wood & Co., who took the collateral with the payment of the loans, and there are sixteen of those bonds which are held by Messrs. Dyer & Black, of Chester, to indemnify them for an obligation which they incurred for the New Chester Water Company, or myself, in consequence of my contract with the water company.

Q. What was the nature of that business—was it a piece of real estate?

(Objected to by Mr. Hannis as immaterial.)

A. It was a mortgage of real estate. At the time of the purchase of the property of the South Ward Water Works by the New Chester Water Company, there was a mortgage of $15,000 against the property, which the attorney of the New Chester Water Company said could not be paid off, on account of its not having matured, and the disinclination of the parties holding the mortgage to receive the money because they could not make as good an investment of the amount. Messrs. Hopper & Co. naturally wanted to be secured from any possible trouble concerning the foreclosure of that mortgage, and I gave them an indemnity bond with Messrs. Dyer & Black of Chester as sureties on the bonds, and to indemnify them gave them sixteen of these bonds.

Q. What was done with that real estate—was it conveyed to you?

A. Yes.

Q. Was it afterwards conveyed by you to Mr. Hopper?

A. Yes.

Q. Does it still remain in Mr. Hopper's name, if you know?

A. I don't know about that.

Q Do you remember as to whether Mr. Hopper gave a declaration of trust as to this real estate?

A. I believe he did.

(Mr. Hopper states that he holds the real estate in trust for the New Chester Water Company.)

MR. ASHHURST (to the witness):—Please look at the paper which I now hand you, and state what it is.

A. It appears to be a type-written copy of the declaration of trust.

Q. Is this the real estate upon which the works of the New Chester Water Company are placed?

A. Yes, sir.

Q. Is that where the pumping engines of the Holly Company are placed?

A. Yes.

Q. Do you remember schedules being made of the property or plant of the old company?

A. Yes, sir.

Q. (Paper shown witness.) Please look at that paper and state whether it is the schedule that was used at that time?

A. That is the inventory valuation of the property of the South Ward Water-Works, dated May 1st, 1887, which was afterwards bought by the new companies, as I have mentioned.

(Mr. Ashhurst offers same in evidence, and it is marked "Exhibit A 1, September 28th, 1889, E. Z. B.")

Q. Did this real estate come from the old company, or was it bought independently?

A. It came from the old company, with a mortgage upon it.

Q. And it was conveyed to you as part of that transaction?

A. Yes; as part of that deal.

Q. Returning to the book, regarding which you have already testified, the last item you mentioned was at page 152. What do you find at page 153?

A. A statement of expenditures incurred in the construction of the works of the Bienville Water Supply Company, of Mobile, to September 1st, 1887.

Q. In whose handwriting is that?

A. Mr. Woltman's.

Q. What was done with that?

A. It was handed to Messrs. William G. Hopper & Co.

(Mr. Ashhurst calls for original thereof.

Mr. Hannis states that he objects to the same as immaterial, but that if his clients have it it shall be produced, subject to his objection.)

Mr. Ashhurst (to the witness):—Please turn to page 156, and state what you there find.

A. That is a statement concerning the amount of money paid and yet to be paid, in order to complete the works at Chester, made out in Mr. Woltman's handwriting.

Q. What was done with it, if you remember?

A. There is nothing on this page which would serve to tell me whether it went to Mr. Hopper or to Mr. Wood. I was making out statements for both of them at that time. This, I believe, was given to R. D. Wood & Co. There is a long

list which was all made out by Mr. Woltman. It runs right straight along from page 156 to page 168.

Q. It covers probably a good many other companies that we are not concerned in, does it not?

A. Page 156 relates to Chester, and page 157 to Mobile. There is at page 158 a recapitulation of the two companies.

(Mr. Ashhurst calls upon Messrs. Wood & Co. for the originals of said statements.)

Q. Please turn now to page 169 and state what you find there?

A. I find a statement showing amount required to complete the plant of the New Chester Water Company.

Q. In whose handwriting is it?

A. Mr. Woltman's.

Q. What was done with that?

A. That was made for William G. Hopper & Co.

(Mr. Ashhurst calls upon Mr. Hannis for the production of the original of said statement.)

Q. Please turn now to page 191 and state what you find there?

A. I find a copy of a type-written paper of amount required to complete the works of the New Chester Water Company, exclusive of pipe and specials.

Q. Is there a pencil-mark at the foot of it?

A. There is.

Q. In whose handwriting is that pencil-mark?

A. Mr. Woltman's. It reads, "R. D. W. & Co."

Q. Can you say what was done with the original of that paper?

A. It was either mailed, or I handed it to Mr. Walter Wood, of R. D. Wood & Co.

(Mr. Ashhurst calls upon Messrs. Wood & Co. for the production of the original of said paper.)

Q. Please turn now to page 193 and state what you there find.

A. Amount required to complete the works of the Bienville Water Supply Company—type-written.

Q. Is there any lead pencil upon it?

A. Yes, sir; the word "Hopper."

A. In whose handwriting is the word "Hopper"?

A. Mr. Woltman's.

Q. What became of that paper?

A. It was either mailed, or handed to Mr. Hopper.

(Mr. Ashhurst calls upon Mr. Hannis for production of the original thereof.)

Q. Please turn now to page 207, and state what you find thereupon?

A. That is a requisition made by Bullock & Co. on R. D. Wood & Co. for funds to pay on account of Chester, Mobile, and Greencastle. It is a type-written paper, signed by myself.

(Mr. Ashhurst calls for original thereof from Messrs. Wood & Co., dated 26th October, 1887.)

Q. Please turn now to page 208, and state what you there find?

A. That is a similar requisition, dated November 7th, 1887, for the works at Chester and Mobile.

Q. In whose handwriting is it?

A. It is a type-written document, signed by myself.

(Mr. Ashhurst calls for the production of the original by Messrs. R. D. Wood & Co.)

Q. Please turn now to page 211, and state what you there find?

A. That is a similar type-written document, addressed to R. D. Wood & Co., dated November 21st, 1887; not signed; being type-written or printed. It was completed by being signed by Woltman as my attorney, probably.

(Mr. Ashhurst calls upon Messrs. Wood & Co. for the production of the original thereof.)

Q. Please turn now to page 213, and state what you find thereupon.

A. That is a similar document; addressed to R. D. Wood & Co.; dated December 5th, 1887. All type-written.

(Mr. Ashhurst calls for the production of the original thereof.)

Q. Please turn now to page 214, and state what you find thereupon?

A. A statement under the same date, in the handwriting of

Mr. Woltman. That is a statement showing the amount then needed to complete the works at Mobile and Chester.

Q. Do you know the history of that paper?

A Yes; it was given to R. D. Wood & Co. It was dated December 5th, 1887.

(Mr. Ashhurst calls upon Messrs. Wood & Co. to produce the original of said paper.)

Q. Please turn to page 215, and state what you find thereupon.

A. I find a type-written requisition on Messrs. R. D. Wood & Co., dated December 19th, 1887.

(Mr. Ashhurst calls for the production of the original thereof by Messrs. Wood & Co.)

Q. Please turn to page 219, and state what you find thereupon?

A. That is another similar document, addressed to R. D. Wood & Co., dated January 3d, 1888.

(Mr. Ashhurst calls for the production of the original thereof by R. D. Wood & Co.)

Q. Please turn to page 230, and state what you find thereupon.

A. I find a similar document, addressed to R. D. Wood & Co., dated January 16th, 1888.

(Mr. Ashhurst calls for the production of the original thereof by R. D. Wood & Co.)

Q. Please turn to page 240, and state what you find thereupon.

A. I find a similar document, dated January 31st, 1888, addressed to R. D. Wood & Co. Type-written, including the signature.

(Mr. Ashhurst calls for the production of the original thereof by R. D. Wood & Co.)

Q. Please turn to page 245, and state what you find thereupon.

A. I find a similar document, dated February 14th, 1888, addressed to R. D. Wood & Co.

(Mr. Ashhurst calls for the production of the original thereof by Wood & Co.)

Q. Please turn to page 269, and state what you find thereupon.

A. I find a similar document, dated February 27th, 1888, addressed to R. D. Wood & Co.

(Mr. Ashhurst calls for the production of the original thereof by Wood & Co.)

Q, Please turn to page 271, and state what you find thereupon.

A. I find a similar document, addressed to R. D. Wood & Co., dated March 15th, 1888.

(Mr. Ashhurst calls for the production of the original by R. D. Wood & Co.)

Q. Please turn to page 274, and state what you find thereupon.

A. I find a similar document, dated March 26th, 1888, addressed to R. D. Wood & Co.

(Mr. Ashhurst calls for the production of the original by R. D. Wood & Co.)

Q. Please turn to page 275, and state what you find thereupon.

A. I find a similar document, dated April 9th, 1888, addressed to R. D. Wood & Co.

(Mr. Ashhurst calls for the production of the original thereof by Wood & Co.)

Q. Please turn to page 277, and state what you find thereupon.

A. I find a similar document, dated April 23d, 1888, addressed to R. D. Wood & Co.

(Mr. Ashhurst calls for the production of the original thereof by Wood & Co.)

Q. Please turn to page 278, and state what you find thereupon.

A. I find a similar document, addressed to R. D. Wood & Co., dated May 7th, 1888.

(Mr. Ashhurst calls for the production of the original by Wood & Co.)

Q. Please turn to page 280, and state what you find thereupon?

A. I find a similar document, addressed to R. D. Wood & Co., dated May 21st, 1888.

(Mr. Ashhurst calls for the production of the original by R. D. Wood & Co.)

Q. What do you find on pages 281, 282, 283, and 284?

A. I find a statement showing amount obtained from R. D. Wood & Co., on various dates, for the construction of the plants at Chester and Mobile.

Q. Is that a recapitulation of the requisitions that have gone before?

A. Yes, sir.

Q. What was done with it; was it sent to Wood & Co., or only kept there?

A. I don't know what was done with the original of this document. I think, from the way it is divided up between Wood & Co. and Hopper & Co., that the probability is that it was given to Mr. Wood. It shows the advances made by Wood and the advances made by Hopper.

Q. What do you find at pages 285 and 286?

A. That is a continuation of the same document. It was made at one and the same time, and all sent in together.

Q. In whose handwriting is it?

A. It is in the handwriting of a clerk of mine, named Forsh.

Q. Is he still in your employ?

A. Yes; I think it was sent to Mr. Wood. That is my impression, from the way it is made out, though there is nothing here by which I can positively identify that fact.

(Mr. Ashhurst calls upon counsel for Messrs. Wood & Co., for the production of the original thereof.)

Q. Please turn to page 289, and state what you find thereupon.

A. I find a similar document, addressed to R. D. Wood & Co., dated June 4th, 1888.

(Mr. Ashhurst calls for the production of the original thereof by R. D. Wood & Co.)

Q. Please turn to page 290, and state what you find thereupon.

A. I find a similar document, addressed to R. D. Wood & Co., dated June 9th, 1888.

(Mr. Ashhurst calls for the production of the original thereof by Wood & Co.)

Q. Please turn to page 293, and state what you find thereupon?

A. I find a similar document, addressed to R. D. Wood & Co., dated July 2d, 1888.

(Mr. Ashhurst calls for the production of the original thereof by R. D. Wood & Co.)

Q. In that paper I observe that you say, "this will be the last requisition for Mobile, and closes that account." Did that mean that that exhausted what Mr. Wood had agreed to advance?

A. It meant that we were practically done there, and didn't need any more money.

Q. Had you paid the Holly Manufacturing Company?

A. No, sir; not entirely.

Q. How did you calculate about that?

A. That was to be figured out afterwards.

Q. You had stated in these requisitions the details of every appropriation of money proposed to be made, had you not?

A. Yes, sir.

Q. From memory, what amounts were certified to have been drawn for for the Holly Company, as to Mobile, on these requisitions?

(Objected to by Mr. Dale, on the ground that the papers will speak for themselves upon this point.)

A. Over $20,000.

Q. Leaving about what amount unpaid?

A. $25,000.

Q. Please turn to page 295, and state what you find thereupon.

A. I find a document similar to those that have gone before, addressed to R. D. Wood & Co., dated July 16th, 1888.

(Mr. Ashhurst calls for the production of the original thereof by Wood & Co.)

Q. Please turn to page 297, and state what you find thereupon?

A. I find a similar document, dated July 30th, 1888, addressed to R. D. Wood & Co.

(Mr. Ashhurst calls for the production of the original by Wood & Co.)

Q. Please turn to page 307, and state what you find thereupon.

A. I find a similar document, dated August 11th, 1888, addressed to R. D. Wood & Co.

Q. Please turn to page 308, and state what you find thereupon.

A. I find a similar document dated August 27th, 1888, addressed to R. D. Wood & Co.

(Mr. Ashhurst calls for the production of the original by Wood & Co.)

Q. Please turn to page 310, and state what you find thereupon.

A. I find a similar document, dated September 10th, 1888, addressed to R. D. Wood & Co.

(Mr. Ashhurst calls for the production of the original by Wood & Co.)

Q. Please turn to pages 311 and 312, and state what you find thereupon.

A. I find a statement, showing cost of the completed works at Chester and Mobile, under date October 3d, 1888.

Q. Is there a memorandum there in lead pencil?

A. There is. It reads as follows: "Sent to R. D. W. & Co. and W. G. Hopper & Co., October 3d, 1888." Those are type-written papers.

(Mr. Ashhurst calls for the production of the originals thereof.)

Q. What is your memory as to that paper?

A. My impression is that it was prepared to show the cost of the plants at both Chester and Mobile, with a view to deciding the amount of bonds that should be placed upon the plant, from the way the totals figure up here. The works had cost more than was originally contemplated when the bond issues were made. This was a summarized statement of the cost in both places—that is, what it had cost—the money that had been spent. It was to cover everything.

Q. Everything paid and unpaid?

A. Paid and unpaid. Nothing is said in here about what is paid and what is not.

Q. No distinction was drawn in that statement?

A. No; it was simply a statement of the cost.

Q. What do the words "Compensation, W. B." mean in that statement?

A. That represented an amount that was agreed to be paid to Mr. William Bucknell.

Q. In the course of the business from the time this agreement of October, 1887, was made until these drafts were closed in September, 1888, it was that you drew on Messrs. Wood & Co. requisitions for what you wanted to pay, itemizing the requirements, and they obtained the money from Hopper & Co.

A. Yes; until the amount which Hopper & Co. agreed to advance had been reached.

Q. After that what occurred?

A. Messrs. Wood & Co. advanced the money themselves.

Q. They advanced some further amount beyond that?

A. Yes, sir.

Q. But it was still done upon like requisitions?

A. Yes, sir; I presented a similar statement. These are copies of the statements that were presented.

Q. Can you say why the Holly Company was left out with such small relative payments?

A. Well, the money was needed to pay more pressing demands of a smaller nature; and both Mr. Wood and myself, in talking the matter over, agreed that it would be nothing more than fair that the Holly Company should carry along a portion of their claim, the same as Wood & Co. were doing, for the material that they had furnished.

Q. Did you and the Messrs. Wood have conversations during this time about the matter?

A. Mr. Walter Wood and myself had frequent conversations about it.

Q. Do you mean about the different claims?

A. Yes, sir.

Q. And about what was the relative urgency of the respective claims?

A. Yes; we had more or less talk about that.

Q. Then before you drew these requisitions you would often discuss with Mr. Wood informally what was best to include?

A. No, sir.

Q. But you did converse with him about the Holly Company's claim?

A. Naturally; yes, sir. That was a large claim. Also the McNeal Pipe and Foundry Company.

Q. What was said between you and Mr. Wood, if anything, about the Holly Company?

A. I cannot remember at this date all that passed between us.

Q. Can you remember anything that was said at those conversations?

A. I have before stated that the general purport was that they should wait for a portion of their money, the same as Wood was doing himself. He had furnished material and had only been partially paid, and he was disposed to wait until the securities could be got in such shape as to realize the money necessary to square up the account; and he thought that the Holly Company, being large creditors, and also the McNeal people, should do the same thing.

Q. About when were these conversations to that effect?

A. They extended over quite a little period of time. Mr. Wood and myself saw each other frequently.

Q. Did you ever say anything to Mr Wood as to the necessity of paying the Holly Company under their contract?

A. Oh, yes. When the Holly people would push me I am afraid I used to worry Mr. Wood quite a good deal.

Q. Did you call his attention to the rights of the Holly Company under their contract?

A. I told him what their contract was; yes, sir. We talked about it. There was a difference of opinion about that, you know.

Q. Did he ever say anything as to any expectation of paying the Holly Company?

A. Oh, yes.

Q. What did he say?

A. He said that if a proper arrangement could be made he would settle up with the Holly people. In fact, he did try to do it on several occasions. The Holly people made propositions, and Wood & Co. made propositions, but they never seemed quite to get together.

Q. This was covering what period?

A. This was running along in the latter part of 1888.

Q. Was it prior to the beginning of legal proceedings?

A. Yes, sir; prior to the commencement of legal proceedings.

Q. Did you ever make a formal delivery of the works at Chester to the Chester Company?

A. No, sir; I never made a formal delivery.

Q. What kind of a delivery did you make, what was done?

A. I rather stepped down and out.

A. About when was that?

A. Early in November, 1888.

Q. How did you do that?

A. I made an assignment of my interests in various properties to different people who were the most heavily interested having furnished the funds.

Q. Had you retained possession of the water-works up to that time?

A. Up to that time; yes, sir.

Q. That is, up to November, 1888?

A. Yes, sir.

Q. Who collected the water-rents up to that time?

A. I did.

Q. Who were the officers prior to that time for the water companies.

A. They were the same gentlemen whom I found there when I took possession of the companies.

Q. Do you mean Dr. Forwood?

A. Dr. Forwood was the president and W. H. Miller was the secretary. Mr. Woltman continued as treasurer.

Q. Did you ever convey the real estate in question to the Chester Company?

A. Do you mean the piece upon which the property was located—the pumping-engines?

Q. Yes; and in which you gave them an indemnifying mortgage.

A. No, sir; I transferred that to Mr. Hopper, who holds it in trust.

Q. You made no subsequent demand to the company?

A. Oh, no, sir.

Q. Was there any other real estate belonging to the company at Chester?

A. Yes, sir; there was a reservoir lot.

Q. How was that acquired?

A. I bought it in my name, and transferred it to the New Chester Water Company.

Q. When did you make that purchase?

A. Early in the commencement of the work.

Q. Was there any other real estate besides that reservoir lot and the other property?

A. Yes; there was another lot that was occupied by an old reservoir. That is not used now.

Q. What was the history of that?

A. I have forgotten whether that was transferred or not, or whether I ever had the title in my name or not. If I did, the probability is that I transferred it to the company. I have forgotten about that. I only speak of it because you asked if there was any other real estate.

Q. Who did you purchase the reservoir lot from?

A. I have forgotten his name. He was a farmer who lived up there. Mr. Ward, the attorney of the company, conducted the details.

Q. What did you pay for it?

A. I have forgotten. I think $6000, or something like that.

Q. Do you know who collects the water-rents now?

A. I do not of my own knowledge.

Q. You do not know whether they are collected by the officers of the water company or by your assignees?

A. I don't know how that is done.

Q. Since the time you stepped out, in November, you have had no charge of it?

A. None at all.

Q. Prior to that time how did you make your collections?

A. We made out bills in the name of the New Chester Water Company, and the money was paid in to the Chester National Bank to the account of E. Woltman, treasurer. He checked it out.

Q. Who to?

A. To me. It was my property.

Q. Was there ever any formal acceptance of the Holly Company's engines?

A. We never had any formal acceptance of them; no, sir. They set them up there, and put them to work, and they have been pumping. There never was any formality attendant upon it.

Q. The tests provided for were never called for?

A. I don't know. My recollection is that Mr. Fuller was to have had a test made, but whether he ever did or not I don't know.

Q. Have you a copy of the assignment of which you have spoken, made by you?

A. I have; but it isn't here with me.

Q. Who was your assignee of the Chester plant?

A. My contract at Chester was assigned to Thomas A. Perot. My interest in the stock and bonds was assigned to R. D. Wood & Co.

Q. To whom did you turn over possession?

A. To R. D. Wood & Co.

Q. Did you make the actual delivery of possession?

A. There was no formality about it. I made the assignment, and R. D. Wood & Co. stepped in and I stepped out.

Q. Did Mr. Woltman then proceed to account to them?

A. No, sir; he resigned.

Q. (Paper shown witness.) Please look at that receipt, and state what it is.

A. It is a receipt of William H. Miller for $10,000, received from Samuel R. Bullock & Co.

Q. Was that a part of the settlement with Miller, to which you have referred?

A. Yes, sir.

(Mr. Ashhurst offers said receipt in evidence, as follows:—

"NEW YORK, 18th July, 1887.

Received from Saml. R. Bullock & Co. Ten Thousand Dollars, viz. $1250.00 in cash, $1250.00 Note 1 mo., $2500.00 Note 2 mos., $2500.00 Note 3 mos., $2500.00 Note 4 mos. In full payment for cash due on purchase New Chester Water Co., as per agreement of Nov. 18th, 1886.

$10,000.00

WM. H. MILLER."

Objected to by Messrs. Hannis and Dale as irrelevant.)

Q. (Letter shown witness.) What is that letter?

A. That was written to Samuel R. Bullock & Co. by William H. Miller, under date September 11th, 1886.

Q. Was that part of the original negotiation for the purchase?

A. Yes, sir.

(Mr. Ashhurst offers said letter in evidence, and it is marked by the Examiner "Exhibit B1, September 28th, 1889. E. Z. B."

Objected to by Messrs. Hannis and Dale as irrelevant and incompetent.)

Q. Look also at the other letters which I now hand you, and state what they are.

A. They are letters from William H. Miller to Samuel R. Bullock & Co., dated October 21st, October 28th, and November 8th, 1886.

(Mr. Ashhurst offers said letters in evidence, and they are marked by the Examiner "Exhibits B2, B3, and B4, September 28th, 1889. E. Z. B."

Objected to by Messrs. Hannis and Dale as irrelevant and incompetent.)

Q. (Another letter shown witness.) What is that letter?

A. It is a letter from William H. Miller to Samuel R. Bullock & Co., dated April 6th, 1887.

(Mr. Ashhurst offers said letter in evidence, and it is marked by the Examiner "Exhibit B5, September 29th, 1889. E. Z. B." Objected to as above.)

Q. Down to the time that you turned your possession over to Messrs. Wood & Co.'s representative, who had charge of the Holly Company's engines?

A. John Lockman, the man who set them up.

Q. Who paid Mr. Lockman?

A. The Holly Company.

Q. You never paid him?

A. No, sir; I think not.

Q. Can you say whether or not Mr. Lockman remained in continuous possession and charge of those engines from the time they were put up?

A. He put up the engines, and had charge of the running of them right along all the time I had anything to do with them; yes, sir.

Q. Do you know the intention of Mr. Lockman in being there?

A. Yes; his intention was to retain the custody of those pumps.

(Above question and answer objected to by Messrs. Hannis and Dale.)

Q. Did you have any conversation on that subject with the officers of the Holly Company or their representatives?

(Objected to by Messrs. Hannis and Dale.)

A. Yes, sir.

Q. What did they say?

A. They told me that they proposed to have Lockman remain there as their representative in charge of the pumps, but they didn't want to interfere with the operations of the company, so he could act as engineer and run the pumps right along.

Q. Did you have several such conversations?

A. I had more than one; yes, sir.

Q. Covering what period of time?

A. We used to see each other quite frequently in regard to the matter. From the time before the pumps went down there to the last that I had anything to do with it the Holly Company were anxious to get their money, and wanted to know what chance they stood of getting it, and I used to have them down on my list as regular callers. If they didn't call on me they sent for me.

Q. You consented to Mr. Lockman remaining in possession and charge, as desired by the Holly Company?

(Objected to by Messrs. Hannis and Dale.)

A. Yes, sir.

Q. Was any objection ever made by any one to Mr. Lockman's position there?

A. Not by me, or by my representatives.

Q. Do you know of any objection until the beginning of this suit?

A. No, sir.

Q. What amount of stock of the New Chester Water Company had you at the time of the assignment?

(Objected to by Mr. Hannis as irrelevant.)

A. I don't remember the exact quantity, but, whatever it was, I didn't have any in my possession. It was all hypothecated.

Q. Subject to hypothecation, what amount was there?

A. I have forgotten. It was the major or large part of it. I don't remember the number of shares.

Q. Was there any amount outstanding, except what was necessary to qualify the directors?

A. I think not.

Q. How about the South Chester?

A. That was in the same way.

Q. Were you one of the directors?

A. No, sir.

Q. The contracts, if I remember rightly, provided that you should have control of the choice of who should be elected directors?

A. That is my recollection of it; yes, sir.

Q. Was that clause or provision carried out?

A. It was.

Q. And you were consulted as to the number elected from time to time, directors of the company?

A. Yes, sir.

Q. The elections were made accordingly, were they?

A. Yes, sir.

Q. Do you remember making application for the remission of the taxes on the capital stock of the company?

A. I expect I did.

Q. (Paper shown witness.) Please look at that paper which is among those produced by you under call, and state whether you made such an application.

A. Yes. That appears to be a type-written copy of the applications made by me.

(Mr. Ashhurst offers said paper in evidence, and it is marked by the Examiner, "Exhibit A 2, September 28th, 1889, E. Z. B."

Objected to by Messrs. Hannis and Dale as incompetent and irrelevant.)

Q. You read over that paper, did you not?

A. I glanced over it; yes, sir.

Q. The facts therein contained were correct, were they not?

A. Certainly.

Cross-examination.

By Mr. Dale:

Q. Referring to the letter-press book which has been before you while under examination-in-chief, turning for illustration to page 207, to the copy of the requisition found on that page, please state who made up the account imbodied in that requisition.

A. The amounts were made up by Mr. Woltman.

Q. From what?

A. From bills and statements that he received from the engineers at the various places, and bills that he had on hand for material bought. He received a statement of the pay-roll due from the engineers.

Q. Where are those original papers and statements now?

A. I cannot speak of my own knowledge. I had all those papers and documents in my office at the time I made my assignment, but the office and all its belongings had an attachment placed upon it, and representatives of several firms were in there, and the sheriff's people as well. When I gathered together what was left, there were but very few documents that I could put my hands on. Such as I did have, and such few books as I had, Mr. Berrian, my attorney, took possession of; but the attorneys and representatives of various parties in interest, and the sheriff's employés, made a clean sweep.

Q. Those requisitions which were furnished were all made up, as I understand you, from those original papers?

A. Yes, sir.

Q. And the person making them up had no other knowledge of the amount needed but that which he derived from the papers furnished to him by those on the spot?

A. No, sir; except such as he might derive in case he asked me a question if I was there. A great many of these things were made up when I was not there.

Q. But the person making up those requisitions had no original knowledge of his own on the subject—it was all secondary?

A. That is correct.

(Mr. Dale calls for the production of the original papers and documents from which these requisitions were made up, and gives notice that until the originals are produced he will object to the requisitions for which calls have been made to-day being offered in evidence.)

Cross-examination.

By MR. HANNIS:

Q. Your contract with the New Chester Water Company and the South Chester Water Company required you to construct the completed plants of the water-works, and to furnish all the necessary real estate, machinery, and labor?

A. Yes, sir.

Q. You were to deliver these, clear of all incumbrances?

A. Yes, sir.

Q. You were to be paid for your material, labor, and real estate in a certain amount of the bonds and stocks of these companies?

A. Yes, sir.

Q. In accordance with your contract with these water companies you found it necessary to buy the plant of the South Ward Water-Works, did you not?

A. Well, not just as you put it. It was decided best to do that.

Q. You did buy it?

A. I did. It was decided best to do so.

Q. You did buy the whole plant of the South Ward Water-Works?

A. Yes, sir.

Q. And you used that plant in completing your contracts with the New Chester Water Company and the South Chester Water Company?

A. Yes, sir.

Q. The pipes and other appurtenances of that plant, including the real estate, were bought by you for those water companies in accordance with your contract?

A. Yes; surely.

Q. And that real estate that you bought from the South Ward Water-Works was composed of real estate that had on it the mortgage of $15,000?

A. Yes, sir.

Q. That real estate you were to put in to the New Chester Water Company clear of all incumbrances, were you not?

A. Yes, sir.

Q. The purchase-money of this South Ward Water-Works was something over $300,000, was it not?

A. It was over $300,000.

Q. Do you remember the exact amount?

A. If my memory serves me, it was $313,000.

Q. Was it not $319,000?

A. I think it was $315,000.

Q. Who advanced the money to enable you to purchase the South Ward Water-Works?

A. William G. Hopper & Co.

Q, The New Chester Water Company and the South Chester Water Company have paid you in full in stock and bonds for the construction of these water-works, have they not?

A. Yes, sir.

Q. Messrs. Hopper & Co. have advanced to you all the moneys that they agreed to advance on these bonds, have they not?

A. Yes, sir.

Q. All property that you got from the South Ward Water-Works you turned over to the New Chester Water Company, did you not?

A. Yes, sir.

Q. And the pumping machinery of the water company is now erected upon this real estate that you got from the South Ward Water-Works, is it not?

A. Yes, sir.

Q. The papers that you say you gave to Messrs Wood and Hopper about the Holly contract—were they given about the same time to them?

A. Yes, sir.

Q. Just think for a moment. Did you ever give to Messrs. Hopper & Co. anything more than a statement of the amounts that the Holly Manufacturing Company were entitled to; the amounts paid to them on account, and the balance that was due to them?

A. Yes, sir; I am quite certain that I did, because I had these two type-written copies of the contract prepared and brought over, leaving one with the Messrs. Hopper and the other with the Messrs. Wood. I was going backward and forward to and from New York day after day and week after week, for quite a long time before I got matters arranged; and in the course of my negotiations the fact that the Holly Company had the contract was brought out, and both Mr. Wood and Mr. Hopper wanted to see a copy of that contract, which they did.

Q. And you think that was furnished to them about the same time?

A. I think so; yes, sir.

Re-direct examination.

By MR. ASHHURST:

Q. You have stated, in answer to Mr. Hannis, that you thought the amount paid for the South Ward Water-Works was about $313,000?

A. Yes, sir; that is my recollection.

Q. What made up the difference between that and the amount of $281,500 which was deposited in the Chester Bank?

A. My impression is that that was a sum that was required to pay the Chester Bank for taking care of accruing interest on bonds of the old South Ward Water Company. They figured out that an amount of so many dollars and cents would allow them to pay the interest on the bonds that were out upon the old plant.

Q. Did you deposit with the Chester Water Company more than the $281,000?

A. I think so.

Q. You think you deposited a further sum at another time?

A. I think so. At that time, I think.

Q. Didn't this include the $15,000 of liability on the mortgage?

A. No, sir.

Q. Was that additional to the $313,000?

A. Yes, sir.

Q. Didn't it include any commissions—Messrs. Hopper & Co's commissions?

A. No, sir.

Q. Nor Mr. Bucknell's?

A. No, sir.

Q. You have said, in answer to a question by Mr. Hannis, that all the property you got from the South Ward Water Company you turned over to the New Chester Company.

A. Yes; the same as everything else down there.

Q. When and how did you do that—do you mean at the time you made the assignment, or at any other time?

A. My recollection is that the purchase was made on behalf of the New Chester Water Company—that I was obliged to do that, because the South Ward Water-Works could not sell out to an individual. They sold out to an incorporated company, and this incorporated company acquired the ownership of the property.

Q. Then the New Chester Company gave you an order to receive the property—ordered the South Ward Water-Works to deliver it to you under their purchase?

A. Yes, sir.

Q. When did you turn it over to the New Chester Company?

A. So far as regarded the formal turning over, it went with the assignment. It was there ready to be turned over, with everything else.

Q. You kept actually the custody of it until you made the assignment in November, did you?

A. Yes, sir.

Q. The custody of it and everything else?

A. Yes, sir.

By Mr. Hannis:

Q. But all this property was acquired in pursuance of your contracts with the New Chester and South Chester Water Company?

A. Undoubtedly.

By Mr. Ashhurst:

Q. (Handing letter to witness.) I regret to trespass upon what is confidential, but I think this letter is of sufficient importance to ask you about. What have you to say as to that letter?

A. Well, you have read it, and you know it is rather a confidential communication. It is a letter from Mr. Miller to myself.

(Said letter marked for identification, "A, September 28th, 1889, E. Z. B.")

Adjourned to 11 A. M. Friday, October 4th, 1889.

FRIDAY, October 4th, 1889, 11 A. M.

Present—The Examiner, and Messrs. Ashhurst, Bowen, Hannis, and Dale, of counsel.

EMIL WOLTMAN, having been duly sworn, was examined as follows:—

By MR. ASHHURST:

Q. Where do you reside?

A. In Plainfield, New Jersey.

Q. Where are you engaged in business?

A. In New York.

Q. Were you formerly with Messrs. Samuel R. Bullock & Co.?

A. Yes, sir; about four years, up to last November.

Q. What position did you hold with Messrs. Bullock & Co.?

A. I was Mr. Bullock's confidential clerk during all that period.

Q. Did you hold his power of attorney so that you could sign checks and indorse notes, &c., for him?

A. Yes, sir; all documents.

Q. Did you also write many letters in his name?

A. Quite a number; yes, sir.

Q. Did you, during that period, hold any office under the South Chester Water Company?

A. I think I was treasurer of the South Chester Water Company. I know I was treasurer of the New Chester Water Company.

Q. Were you secretary also, or only treasurer?

A. Only treasurer.

Q. How long did you hold those offices?

A. Down to October or November, 1888.

Q. From when?

A. I do not remember the date when the companies were formed, but it was soon after they were organized.

Q. Do you remember the year?

A. It must have been about a year before that. It might have been a year and a half; I am not positive.

Q. Was it from the time Mr. Bullock took charge and be came interested?

A. Yes, sir.

Q. Did you receive a salary as treasurer of these companies?

A. No, sir.

Q. Where did you have your office?

A. No. 11 Wall Street, New York.

Q. Was that Mr. Bullock's office?

A. Yes, sir.

Q. You did not have an office at Chester?

A. There was an office at Chester; yes, sir; but I was not there as treasurer.

Q. Do you know how you were elected as treasurer?

A. No, sir; I was not present. I was told that I had been elected.

(Objected to.)

Q. That was all you knew about it?

A. That was all I knew about it.

Q. Who were the other officers of the New Chester Company?

A. Dr. Forwood was president, and Mr. W. H. Miller was secretary.

Q. Was that also the case with the South Chester?

A. I believe so.

Q. Did you go to Chester from time to time?

A. Only twice.

Q. About when were those two visits?

A. I really do not recollect. They were probably in 1887. I know they were not in 1888.

Q. While you acted as treasurer of the two Chester companies did you continue to hold the same position with Mr. Bullock?

A. Yes, sir.

Q. Did you receive the same salary as before?

A. Yes, sir.

Q. How often did you see the president of the company, Dr. Forwood?

A. I have never seen him.

Q. Did you ever receive any instructions from Dr. Forwood as to your duty as treasurer of the company?

A. No, sir.

Q. Did you ever have any correspondence with him?

A. No.

Q. Did you ever meet Mr. Miller, the secretary of the company?

A. Yes, sir; frequently.

Q. Where?

A. Generally in New York.

Q. Did you know who were the directors of these companies?

A. No, sir.

Q. Were you ever present at any directors' meeting, or did you ever receive any instruction from the directors?

A. No, sir.

Q. Who did you receive instructions from as to the management of the company?

A. From Mr. Bullock.

Q. Do you remember the beginning of the work of construction of the Chester works?

A. Yes, sir.

Q. Were you down there before the beginning?

A. No, sir.

(Mr. Hannis, on behalf of Messrs. Hopper & Co. and Mr. Bucknell, objects to the whole of the foregoing examination as irrelevant.)

By Mr. Ashhurst:

Q. During this period did you have any correspondence with Messrs. Hopper & Co., on behalf of Bullock & Co.?

A. I may have done so; yes, sir.

Q. Did you see any of those gentlemen as representing Mr. Bullock?

A. Do you mean during the entire time?

Q. I do.

A. Yes, sir.

Q. They knew you as Mr. Bullock's representative?

(Objected to as leading.)

A. Yes, sir.

Q. Did you know Messrs. Wood & Co.?

A. Yes, sir.

Q. Did you have any correspondence with them?

A. I think so.

Q. Do you know Mr. Fuller?

A. Yes, sir.

Q. What position did Mr. Fuller hold? Was he in Mr. Bullock's employ during the same time that you were with him, or part of it?

A. Yes, sir; during all the time.

Q. What was Mr. Fuller's position with Messrs. Bullock & Co.?

A. He was their chief engineer.

Q. Do you know whether Mr. Fuller had any position in the South Chester or the New Chester Water Company?

A. He was the chief engineer of the New Chester Water Company. I am not positive whether he was the chief engineer of the South Chester Water Company.

Q. Do you know whether or not he was a director in either of those companies?

A. I do not.

Q. Where was Mr. Fuller's place of business in 1887 and 1888?

A. Mr. Fuller was in New York during part of the time; but the greater part of the year at different works.

Q. Other works besides Chester?

A. Yes, sir.

Q. What others?

A. Shreveport and Circleville, Ohio, and others which I do not recollect exactly now.

Q. I have asked you when the construction of the Chester Water-Works began. Did you have charge of the making of payments?

A. No.

Q. What was your function in that regard, as treasurer?

A. I turned over the moneys from the Chester Water-Works to Mr. Bullock.

Q. That is, the money that you received?

A. Yes, sir.

Q. From what source did that money come?

A. From the consumers in Chester.

Q. Did you keep a book?

A. The money was paid in to my credit as treasurer in the Chester National Bank, and was checked out by me as treasurer.

Q. To whom?

A. Generally to Samuel R. Bullock.

Q. Samuel R. Bullock & Co., or to him individually?

A. To Samuel R. Bullock & Co.

Q. Did you have any instructions in that matter?

A. From Mr. Bullock; yes, sir.

Q. How long did that continue?

A. Down to the beginning of November, 1888.

Q. Did you give up your connection with the water companies at that time?

A. I resigned; yes, sir.

Q. Was your resignation in writing?

A. Yes, sir; I signed a written resignation.

Q. To whom did you address it, if you remember?

A. It was addressed to the directors of the New Chester Water Company.

Q. Did you resign also from the South Chester in the same way?

A. Yes, sir.

Q. What did you actually do with the written resignations themselves?

A. I handed them to Mr. Garrett.

Q. Who is Mr. Garrett?

A. I think he was with Messrs. R. D. Wood & Co.

Q. In New York?

A. No; in Philadelphia.

Q. Do you remember his first name?

A. It was Jesse.

Q. Was it your own idea of resigning?

A. No, sir.

Q. Who suggested it?

A. I could not say who suggested it at the time. I re-

signed from about twenty companies with which I was connected.

Q. Do you remember the date?

A. It was early in November, 1888.

Q. Do you remember whether or not the suggestion came from Mr. Garrett?

A. No; I do not remember.

(Mr. Ashhurst calls upon counsel for Messrs. Wood & Co. to produce the resignations of Mr. Woltman.

Counsel reply that they will produce the same if they can be found.

Mr. Ashhurst also makes the same call upon counsel for the water companies in case same were transmitted to them.)

Q. Were you familiar with the construction agreements between Messrs. Bullock & Co. and the water companies?

A. In a general way; yes, sir.

Q. Did you have charge of the disbursements made under those agreements in Chester?

A. No.

Q. Do you remember a requisition being made for the issue of bonds or stock by the water companies, and, if so, what part you had in the matter?

A. No; I can't recollect.

Q. (Book shown witness.) Are you familiar with this book?

A. Yes, sir; quite.

Q. Please turn to page 126, and state in whose handwriting it is.

A. It is mine.

Q. Can you tell what the course of business was which led to that being made?

A. This requisition would be sent or taken over to Messrs. Hopper & Co., and they would furnish the money.

Q. That is copied in your handwriting from an original paper?

A. Yes, sir.

Q. Signed by Mr. Fuller?

A. I presume so.

Q. What would become of that original paper in the ordinary course of business?

A. It would be put in the box belonging to the Chester Works.

Q. You will observe that this requisition, for instance, states that the contractors, meaning, I suppose, Samuel R. Bullock & Co., are entitled to twenty-seven per cent. of the number of first mortgage bonds, and to twenty-seven per cent. of the total amount of capital stock as per contract. Do you remember anything as to the issue of those bonds or stock?

A. No, sir; I do not recollect.

Q. Do you remember whether it was your duty as treasurer to issue such stock or bonds?

A. I cannot say that I recollect at this moment.

Q. Did not these come to you as treasurer?

A. No, sir; they came to Mr. Bullock.

Q. Did you, in either capacity, as treasurer of the company or as Mr. Bullock's confidential clerk, see bonds or stock issued under these requisitions?

A. Yes, sir.

Q. Did they pass through your hands?

A. Very frequently; yes, sir.

Q. How did they reach Mr. Bullock, according to the customary way of doing business?

A. They were delivered by the trust company upon an order signed by the president and secretary, I believe.

Q. There would be an order, signed by the president and secretary, upon the trust company to deliver the bonds?

A. Yes, sir.

Q. How about the stock?

A. I think the stock was issued from stock-books, which were in the possession of the secretary I presume.

Q. Neither stock nor bonds passed through your hands as treasurer?

A. No, sir.

Q. Did you send these requisitions to the secretary when they came from the engineer?

A. No.

Q. How did he get them, if you know?

A. That I couldn't say; I don't know.

Q. Did the requisitions, or not, go through your hands as treasurer to the secretary?

A. I think not.

Q. In whose handwriting is the lead-pencil upon the entry at page 126?

A. Mine.

Q. Can you tell why that requisition was marked "withdrawn"?

A. Because there was a mistake in the amount of pipe delivered.

Q. Please look at the voucher on page 127. Is that also in your handwriting?

A. Yes, sir.

Q. That is to the South Chester Water Company?

A. Yes, sir.

Q. Please look at the lead-pencil there. Is that in your handwriting?

A. Yes, sir.

Q. Please read it to the Examiner.

A. It reads as follows: "And payment of its bonded and floating debt and interest thereon until maturity as per agreement of this date with Chester National Bank."

Q. Is the word "withdrawn" also in your handwriting?

A. Yes, sir.

Q. Is the correction of the figures from 300,000 in ink to 313,000 in lead-pencil also in your handwriting?

A. Yes, sir.

Q. Can you tell me why that was marked "withdrawn"?

A. I do not recollect distinctly why it was withdrawn.

Q. I will endeavor to refresh your memory by showing you one or two later vouchers which, I think, will enable you to recall the fact. Is the entry at page 128 in your handwriting?

A. No, sir; nor is that at page 129. Page 130 is in my handwriting.

Q. I call your attention to page 132, voucher No. 2. Is that in your handwriting?

A. It is; yes, sir.

Q. Please read it, and state whether it refreshes your memory.

A. Yes, sir; I recollect it. The price to be paid for the South Chester Works was to have been $300,000, but Mr. Bullock had to pay $13,000 for the loan, I think.

(Objected to by Mr. Hannis as irrelevant, and also because the witness is not speaking as to knowledge, but simply as to what he thinks.)

By Mr. Ashhurst:

Q. The voucher that you have referred to on page 127, marked "withdrawn," being the one altered in lead-pencil from $300,000 to $313,000, was to the South Chester Water Company?

A. Yes, sir.

Q. The present voucher No. 2, on page 132, for $313,000, is addressed to the New Chester Water Company?

A. Yes.

Q. Do you remember why the change was made and this amount called for from the New Chester Company instead of the South Chester Company, as per the original voucher?

A. I can only answer as to my understanding of the matter. I have no actual knowledge of it, because I did not make the arrangements myself.

Q. Who did you hear of it from?

A. From Mr. Bullock.

Q. You had, as treasurer of the company, no knowledge of the change?

A. No, sir.

Q. You simply made those changes because you were directed to do so?

A. Yes, sir.

Q. Would that voucher be put in the New Chester Water Company's box?

A. The original would; yes, sir.

Q. When you resigned the office did you turn these papers over to your successor?

A. No; there were no papers to turn over.

Q. I refer, for instance, to such vouchers as these?

A. No; they were all in the New Chester box.

Q. Then you did not exercise any control over them?

A. None whatever.

Q. (Witness shown letter-press copy upon page 133.) Is that also in your handwriting?

A. It is; yes, sir.

Q. Can you say from memory, looking at those vouchers, what was the proportion of bonds and stock to which Mr. Bullock was entitled under the agreements mentioned in these certificates?

(Objected to by Mr. Hannis.)

A. No.

Q. Look at page 148, voucher No. 4, and state in whose handwriting it is.

A. That is my handwriting. So also is page 150, voucher No. 5. Also page 151.

Q. Do you know what you did with the statement of expenditures at page 151?

A. I handed that to Mr. Bullock.

Q. Did you make it out?

A. It is in my handwriting.

Q. I mean, did you make it out from original documents?

A. That I could not say at this time. I don't know from what sources I made it out.

Q. Did you make it from original papers?

A. It was made out by Mr. Bullock and myself. Mr. Bullock gave me the amounts, and I wrote them down.

Q. Is the pen-writing at page 152 yours?

A. Yes; the entry at page 153 is also in my handwriting.

Q. Were the words "Mr. Hopper" in lead-pencil thereupon written by you?

A. Yes, sir.

Q. Can you recall why you wrote them?

A. So as to know to whom it was given.

Q. Do you remember sending that to Mr. Hopper?

A. To the best of my recollection Mr. Bullock took that himself.

Q. Are the statements running from page 156 along for a number of pages to page 169 in your handwriting?

A. Yes, sir. The lead-pencil "William G. H. & Co.," standing for William G. Hopper & Co., is in my handwriting.

Q. What is your memory about that paper?

A. I remember that I made that out one evening after Mr. Bullock returned from Philadelphia. He wanted to have it ready to take with him to Philadelphia the next morning at nine o'clock, and it took us just one night to do it.

Q. What material did you use in making it out?

A. Mr. Bullock had a mass of papers before him, and I took the notes afterwards, and wrote it out in this shape.

Q. You made the note "W. G. Hopper & Co." at the time?

A. Yes, sir.

Q. Turn now to page 191. Are the initials R. D. W. in your handwriting?

A. Yes, sir; they stand for R. D. Wood & Co.

Q. Do you remember why you placed those initials there?

A. So that we should know to whom it was given. It was not addressed to any one in particular.

Q. You placed the initials there so that you should know to whom it had been given?

A. Yes, sir.

Q. At page 193 is the lead-pencil word "Hopper" in your handwriting?

A. Yes, sir.

Q. Why was it placed there?

A. For the same reason, so that we should know to whom it was given.

Q. At page 214 I find a statement showing amount needed to complete works at Chester. Is that in your handwriting?

A. It is. I do not remember to whom it was given.

Q. At page 311 please look at the lead-pencil, and state in whose handwriting it is?

A. That is in my handwriting—the words "Sent to R. D. W. & Co. and W. G. Hopper & Co., October 3d, 1888."

Q. What have you to say as to page 312?

A. The words "Sent to R. D. W. & Co. and W. G. H. & Co., October 3d, 1888," are in my handwriting, attached to the statements showing cost of completed works at Chester.

Q. Have you any memory as to those?

A. No, sir.

Q. Do you remember, as treasurer of the South Chester Water Company, making a report to the Auditor-General of Pennsylvania of the capital stock of the company, the shares issued, &c.?

A. I think I made such a report; yes, sir.

Q. Did you at the same time make an appraisement or valuation of the stock?

A. I think such was made; yes, sir.

Q. Do you remember what valuation you put upon it?

A. I do not remember the exact value. It was a nominal value only.

MR. HANNIS:—If the appraisement was in writing this is objected to.

MR. ASHHURST (to the witness):—The records of the Auditor-General's Department show that you made an appraisement of the stock at five cents per share, six thousand shares. Do you remember how you arrived at that valuation?

A. No; I do not remember exactly. At that time the stock was worth nothing, except for voting purposes.

(Objected to by Mr. Hannis.)

Q. You also certified that the whole number of shares, six thousand, had been issued?

A. Yes, sir.

Q. Also, that $100 had been paid into the treasury of the company on each share?

A. I did not know that.

Q. From your knowledge as treasurer of the company, what had been paid, if anything, into the treasury of the company upon those shares?

(Objected to by Mr. Hannis.)

A. I do not think anything had been paid.

(Answer objected to by Mr. Hannis, because the witness

has already sworn that $100 per share was paid in on the stock, in his affidavit to the return to the Auditor-General.

Q. Do you remember how you came to make that affidavit?

(Objected to by Mr. Hannis.)

A. I was told that it was a mere matter of form, and had to be done to comply with the law of the State; that it was always done, and had to be done in this case.

Q. Who told you that?

A. If I recollect rightly, Mr. Bullock.

Q. Do you remember whether the return was made out, or did you make it out?

A. I think it was already made out. I won't be positive, but I think it was made out.

(Mr. Hannis desires Mr. Ashhurst to state when said return was made.

Mr. Ashhurst states that he will offer the return in evidence before the close of this meeting.)

Q. Did you and Mr. Miller meet on the subject of making this appraisement at five cents a share?

A. No; I think not. I don't recollect.

Q. Do you remember whether he or you made it out and sent it to the auditor-general?

A. That I could not say.

Q. Do you remember the tax that you paid under that appraisement?

A. No.

Q. You do not remember whether as treasurer you paid ninety cents, which was the amount of the tax on the capital stock under the appraisement?

A. No; I do not remember that.

Q. Do you remember making a report for the New Chester Water Company, to the Auditor-General, of the amount of capital stock, shares issued, &c., December 27th, 1887?

A. I believe a report was made. I believe such return was made.

Q. Have you any memory about that?

A. No; I couldn't say about it.

Q. In your return in the report you appear to have reported

that the authorized capital of the New Chester Water Company was $1,000,000, whole number of shares authorized twenty thousand, number of shares issued twenty thousand, par value of each share fifty dollars, and the amount paid into the treasury of the company on each share fifty dollars. As treasurer of the company what knowledge, if any, have you as to that amount being paid into the treasury?

A. None.

Q. Was it paid in while you were treasurer?

A. No, sir.

Q. On what information did you make that statement?

A. It was probably made in the same way as the other. As I say, I was informed that it was a matter of form which had to be gone through with—that it was of no particular significance to any one. That is the way it was made.

Q. It appears by the appraisement that you appraised the stock of that company also at five cents per share, making the total value of the stock $1000. Do you know how you arrived at that valuation?

A. No; I do not recollect just now.

Q. You do not remember having a consultation with Mr. Miller?

A. Not with Mr. Miller; no.

Q. Was that valuation of five cents per share intended to be merely nominal?

A. Yes, sir.

Q. Who had the general charge of Mr. Bullock's papers connected with the construction of the water-works?

A. To a large extent, I had.

Q. Were you first in the office—were you the chief clerk?

A. Yes, sir.

Q. As treasurer of the company have you any memory of an increase of capital stock of the New Chester Water Company in 1887?

A. I believe the stock was increased, but I was not present at the meeting.

Q. Did any funds come into your hands as treasurer as the result of that increase of stock?

A. No, sir.

Q. Were the construction contracts of the two Chester Water Companies, the New Chester and the South Chester, placed in your hands?

A. Yes, sir.

Q. Were you at the time familiar with their provisions?

A. Yes, sir.

Q. And as to what Mr. Bullock was to receive?

A. At the time; yes, sir.

Q. Did you know what amount of stock or bonds he was to receive under those contracts?

(Objected to by Mr. Hannis; the contracts will speak for themselves.)

A. At the time, no doubt I knew.

Q. Then when these vouchers were given to you by Mr. Fuller as engineer, stating what amount of stock and bonds Mr. Bullock was entitled to you were able to tell whether those were correct or not in accordance with the agreement?

A. They were not given to me by Mr. Fuller. They were sent by Mr. Fuller to Mr. Bullock.

Q. Do you remember that there was a provision in the contracts as to the duties of the treasurer of the company in respect to those?

A. Yes, sir; I suppose so. That was merely a nominal office that I held. I held it because I happened to be Mr. Bullock's clerk. That was all. I considered myself under Mr. Bullock's direction in those matters, and did what I was told to do.

Q. When those certificates reached you, were you able to judge that they were or were not in accordance with the contract?

A. Yes; I was able to judge of that at the time.

Q. (Exhibit Q shown witness.) Are you able to recognize that as a copy of the agreement?

A. I think that is the agreement of which I saw the original at the time.

Q. Do you remember the clause providing that the treasurer should have "from time to time discretion, and on proof to his satisfaction of the assumption of any contract by the

contractors to pay and deliver such number of said bonds, shares of stock, or both, as in his discretion he may deem the needs of the contractors require"?

A. I believe there was such a clause; yes, sir.

Q. Did you ever act under that clause?

A. No; I was, as I have stated before, only Mr. Bullock's clerk, and as such did what I was told to do.

Q. (Exhibit R shown witness.) Can you say the same as to that?

A. I think I can; yes, sir.

Q. Do you remember a like clause giving you discretion in that company?

A. I believe there was a clause to that effect; yes, sir.

Q. Do you remember whether you acted under it with the South Chester Company?

A. No; I don't remember.

Q. Do you remember having in your possession a contract between the Messrs. Bullock and the Holly Company?

A. Yes, sir.

Q. Were you familiar with its provisions?

A. Yes, sir.

Q. Was it in your custody?

A. It was.

Q. Can you say whether, in point of fact, bonds and stock were always delivered to Mr. Bullock on the estimates and requisitions, or whether any portion was delivered under one of these clauses to which I have just called your attention?

(Objected to by Mr. Hannis.)

A. I couldn't say. I don't recollect.

(Mr. Hannis, on behalf of Messrs. Hopper & Co. and Bucknell, objects to the whole of the foregoing examination, so far as it relates to them, as irrelevant.

Mr. Dale joins in said objection on behalf of R. D. Wood & Co.)

Cross-examination.

By Mr. Dale:

Q. Are you able to mention any duties which you performed as treasurer of the Chester Water Companies in which

you did not act, as you understood, as the chief clerk and representative of Samuel R. Bullock & Co?

A. No, sir; I generally acted more particularly for Samuel R. Bullock & Co.

Q. Wherever you were nominally acting as the treasurer of the water companies, you understood that it was your duty to receive instructions from Mr. Bullock, and obey them, did you not?

A. Yes, sir.

Q. You did not understand that you were called upon to exercise personal discretion, or that you owed any duty to the water companies or their stockholders or directors?

A. That is about so.

Q. I think you said that you were in Chester only twice?

A. Yes, sir.

Q. Do you remember under what circumstances you went there?

A. I know that on one occasion I went down to sign the book of the bank where signatures are placed for depositors, so that, if afterwards I had occasion to draw checks as treasurer, they would be familiar with my signature.

Q. That was after the works went into operation, so that water-rents were received, I suppose, on or about that time?

A. No; I think it was soon after the new works were commenced. The old works were in operation then.

Q. So that there were water-rents then coming in?

A. Yes, sir.

Q. What was the other occasion when you went there?

A. I don't know that I went there for any special purpose at all. It is not in my mind, at all events, just now.

Q. Turn to page 126 of the letter-press book which you have heretofore had before you. I understand that that is a copy, made by you, of voucher No. 3, prepared by Mr. Fuller?

A. Yes, sir.

Q. To the best of your recollection, that is an exact copy of the voucher as Mr. Fuller prepared it?

A. To the best of my recollection it is; yes, sir.

Q. Your recollection is that the original of that voucher was

left in a box in the office, called the Chester Water Company box?

A. Yes; it was marked "Chester."

Q. Please turn to page 151 of the same book, to the copy which is entitled "Statement of Expenditures." I understand that that statement was written out by you, under instructions from Mr. Bullock?

A. Yes, sir.

Q. It was not prepared by you from data which you worked upon and made up, but is simply a writing which you wrote out under Mr. Bullock's instructions?

A. Yes, sir.

Q. You have no personal knowledge then, as I understand it, of how those figures were arrived at?

A. No.

Q. You simply acted as the scribe to write down figures which Mr. Bullock made up from sources and details of which you were ignorant?

A. Yes; a mass of papers which he had before him.

Re-direct examination.

By MR. ASHHURST:

Q. Did you not know at the time the papers from which these were made up?

A. No, sir; there were so many of them.

Q. I mean to say, weren't you familiar with the condition of the accounts at the time, and of the expenditures that were made?

A. To a large extent; yes, sir.

Q. So that much of the data which went into those papers at the time you knew the accuracy or correctness of, did you not?

A. Oh, yes.

Q. Did you not keep all of the accounts of expenditures?

A. Yes.

Q. Did they not all pass under your supervision at the time?

A. Yes.

Q. So that really you knew all that Mr. Bullock spent—it passed under your supervision?

A. Well, I cannot answer that question exactly.

Q. Did you keep the books?

A. Yes, sir.

Q. You drew most of the checks, did you not?

A. Yes, sir.

Q. You indorsed the checks usually that he received, and kept his bank account?

A. Generally; yes, sir.

Q. So that the great mass of the items had passed through your hands?

A. At some time or another; yes, sir.

Q. Had you not means of knowing whether these were correct or not at the time they were made?

A. I could have found out if it had been necessary.

Q. Did you not do all the arithmetic, and make the calculations for Mr. Bullock?

A. No, sir.

Q. Did you not do a good deal of it?

A. Yes, sir; a good deal of it.

Q. You did not suppose at the time that any of these estimates were incorrect, did you?

A. No, sir.

Q. You had no reason to suppose so, had you?

A. No, sir.

Q. You have no reason to doubt it now, have you?

A. No.

Re-cross-examination.

By MR. DALE:

Q. I did not ask you whether this was an incorrect statement, but my question was whether or not the statement which is copied on page 151 in this book was a statement which was prepared by you under such circumstances that you are now prepared to say that you know from your own knowledge that it is correct, or whether it was a statement the responsibility of which rests upon Mr. Bullock, prepared by

him, and simply written down by you. Which is really the case?

A. Mr. Bullock gave me the figures that I wrote down here, and he made them up from papers which he then had before him.

Q. Were the papers before you in such a way that you extracted figures from them, making computations which resulted in those figures, so that the statement is one for which you consider yourself personally responsible, or is it a statement which was written down by you under instructions from Mr. Bullock?

A. The statement was written down by me under instructions from Mr. Bullock, but a number of these amounts I was perfectly familiar with, as the papers which related thereto passed through my hands.

Q. You say, "a number." Does that remark apply to all of them?

A. No; it does not.

Q. Some of them you took simply from Mr. Bullock's instructions?

A. Yes.

Q. I do not desire in any way to confuse you by suggesting to you that they are not correct, but I simply desire to test your knowledge whether you know them to be correct, or whether you did the work on Mr. Bullock's instructions. I understand you to say that the work, as a whole, was done under his instruction?

A. Yes.

By Mr. Ashhurst:

Q. The papers that you say that Mr. Bullock had—did you not look at them also—did he keep them in his hands, or weren't they spread out before both of you?

A. They were on his desk?

Q. You were sitting there also, were you not?

A. I was sitting at a table alongside of him. There were a number of papers there, relating to the pipes and specials and other materials, and with those I was not as familiar as Mr. Bullock was.

Q. Did you not consult over the items as you went on, and discuss them in making up the papers?

A. I couldn't say to-day just what was done two years ago. It is impossible for me to recollect; but it is very likely at the time that we did as we have done on other occasions—went over the papers together, and then put down the figures, whatever they might have been.

Q. Wasn't your object to get at the facts, and make a statement out in accordance with the facts?

(Objected to as leading, and as cross-examination.)

A. Yes.

EUGENE F. FULLER, having been duly sworn, was examined as follows:—

By MR. ASHHURST:

Q. What is your business?

A. Civil engineer.

Q. Have you been in the employment of Samuel R. Bullock & Co.?

A. Yes, sir.

MR. HANNIS:—I suppose the line of examination here will be very much the same as with the previous witness, and I desire now to make an objection to all this testimony, so far as it affects, or is intended to affect, Messrs. Hopper & Co. and Mr. Bucknell.

MR. ASHHURST (to the witness):—How long have you been in the employ of Samuel R. Bullock & Co.?

A. About four years; that is, since 1885 until the latter part of last year.

Q. What position did you hold in their employ?

A. I was engineer of different works—that is, a portion of the construction.

Q. Did you receive a stated salary from Mr. Bullock?

A. No, sir; I received so much upon each work.

Q. Do you remember when Mr. Bullock became connected with the two Chester water companies?

A. Yes, sir.

Q. Do you remember making a report to him upon that enterprise?

A. Yes, sir.

Q. (Paper shown witness.) Look at that document, and state what it is.

A. It is a report which I made at his request.

(Said document offered in evidence by Mr. Ashhurst, and marked "Exhibit A3, October 4th, 1889. E. Z. B."

Objected to by Mr. Dale as incompetent and irrelevant, so far as R. D. Wood & Co. are concerned; and also objected to by Mr. Hannis, on behalf of Messrs. Hopper & Co. and Mr. Bucknell.)

Q. Did you then have any duties in connection with the New Chester or South Chester Company, or both?

A. Not at that time.

Q. Did you later?

A. Yes, sir.

Q. About when?

A. In the spring of 1887, I think.

Q. Did you hold any position with the South Chester Company?

A. I was made chief engineer.

Q. Who appointed you chief engineer?

A. I was elected by the board of directors.

Q. Do you know who the board of directors were?

A. My remembrance is Dr. Forwood, W. H. Miller, and Mr. Woltman—no, I don't remember whether Mr. Woltman was a member of the board of directors. There was also Mr. Berrian and myself.

Q. You were a director?

A. Yes, sir.

Q. Do you remember when you became a director?

A. I don't remember the exact date; but it was at the first organization. No, not the first organization; it was at the time of the reorganization, when Mr. Bullock took charge of it.

Q. Were you a stockholder, as well as a director?

A. No, sir. I believe there was one share apportioned to me, qualifying me as a director, but that was all.

Q. Who gave you that share?

A. I don't think I have ever received it.

Q. You never paid for it, did you?

A. No, sir. I won't be positive as to whether I have ever received it. I may have it.

Q. Are you speaking now of the New Chester, the South Chester, or both?

A. Both.

Q. One share was put in your name?

A. I think so; yes, sir.

Q. What salary did you receive from these companies, if any?

(Objected to by Mr. Hannis.)

A. From the Chester Company $300 per month.

Q. Which company?

A. I couldn't say which company it was received from. It was paid by Mr. Bullock, and, I think, only up to the consolidation of the companies.

Q. You received $300 a month for the services to both companies?

A. Yes, sir.

Q. How was that paid to you?

A. In money, by Mr. Bullock.

Q. It was not paid by the treasurer of the company?

A. No, sir; it came from money that passed through my hands for use in the construction of the work.

Q. What was the way in which money passed through your hands for the construction of the work?

A. I received it from Mr. Bullock?

Q. Was it expended by you?

A. I expended the money that was actually spent in Chester.

Q. Did you make any certificates or estimates, or anything of that kind?

A. Yes, sir; certainly.

Q. What was the nature of those papers?

A. The first estimates that I made out, I believe, were before August of 1887. I think they were estimates at that time relating to the payment to Mr. Bullock of bonds and stock.

Q. Please briefly describe those estimates and their nature.

A. They were simply statements of material that had been delivered, and what percentage those amounts formed of the entire work.

Q. Did you state in those certificates what proportion of bonds and stock Mr. Bullock had become entitled to?

A. I think so?

Q. How did you calculate that percentage?

A. In this manner: If there was a $400,000 contract and $100,000 worth of material delivered, or work done, there was twenty-five per cent. of the amount of the bonds and the stock due to the contractor.

Q. On page 128 of the specification-book which I now show you, there is what is called "Voucher No. 1," signed by you, addressed to the South Chester Water Company, for a total of $30,380, which is followed by a certificate that you had examined that statement and found it correct, and that the contractors were entitled to ten per cent. of the number of first mortgage bonds and ten per cent. of the total amount of capital stock. What amount, in dollars, of the bonds and of the capital stock were the contractors entitled to under that certificate, if you remember?

A. They would be entitled to ten per cent. of what their contract was with the company.

Q. Were you familiar with the contracts with the South Chester Company?

A. Not with all of them.

Q. Were you familiar with the amount?

A. They were to receive the entire issue of bonds and stock, I believe.

Q. Had you those contracts before you in the making out of these certificates?

A. No, sir; not always.

Q. Were you generally familiar with them?

A. I was familiar with a portion of the contract. That is, I understood the sense of it.

Q. By the seventh clause of the contract, a copy of which has been offered in evidence, it is provided that the water

company was to give to the contractors, in full satisfaction of the contract, $300,000 of first mortgage bonds, and nineteen hundred and ninety shares of the capital stock. Can you say, comparing this with those certificates, what amount of bonds ten per cent. would give—would it be $30,000?

A. Yes, sir.

Q. How much of the stock?

A. Ten per cent.

Q. How many shares would that be?

A. One hundred and ninety-nine.

Q. That would be for $30,380 how much?

A. They would be entitled to the nearest even bond—$30,000 of bonds, and ten per cent. of stock.

Q. What valuation was put upon the stock?

A. There was no valuation upon it, so far as my duties were concerned. I have never heard what was put upon it.

Q. The next voucher of the South Chester Company, to be found at page 129 of the same book, is for a total of $224,000.85, and the certificate appears to be that the contractors were entitled to seventy-four per cent. of the first mortgage bonds and seventy-four per cent. of the capital stock. If the same proportion would hold, that would give them how much?

A. Seventy-four per cent.

Q. Voucher No. 3 is to be found at page 130, for $45,535. From that it would appear that they were entitled to the remaining sixteen?

A. Yes, sir.

Q. Those three vouchers, therefore, exhausted the whole issue of bonds and nineteen hundred and ninety shares of stock?

A. Yes, sir.

Q. I observe in your certificates that you certify that they are entitled to ten per cent. of the total issue of stock, seventy-four per cent. of the total issue of stock, and sixteen per cent. of the total issue of stock, making the whole issue of stock. Do you know how it was that you came to overlook the ten remaining shares of stock?

A. No, sir; I do not. I suppose that that was stock reserved for the directors.

Q. Therefore it was regarded as unimportant, practically?

A. I suppose so.

Q. The next voucher was for the New Chester Water Company. Do you remember what the proportions were in that case?

A. No, sir; I don't remember now what that was. I think it was $600,000, though I don't remember it distinctly.

Q. The seventh clause of "Exhibit Q" states that they were to receive $500,000 in six per cent. bonds and seventeen thousand shares of a total of twenty thousand shares of stock. What was the proportion there as to the bonds?

A. For $87,944 that would be about eighteen per cent.

Q. That would be that the bonds were to be issued for the face of the requisition for a corresponding amount?

A. Yes, sir; that would be it.

Q. That would be in even dollars?

A. Yes, sir; to the nearest bond.

Q. Can you say from memory how it was that you certified also to eighteen per cent. of the total amount of stock, and omitted the three thousand shares?

A. No, sir; I had nothing to do with the apportioning out of the stock. I don't know what became of that stock. It was eighteen per cent. of the contract-price.

Q. The contract provided that they were to have eighteen per cent. of seventeen thousand shares, and you certified eighteen per cent. of the total?

A. No; of the total amount of the contract. That requisition certainly reads in that way. I don't identify the requisition at all. I don't remember the circumstances under which that was given at all. It should have read eighteen per cent. of the total contract price.

Q. What form did you pursue as to these requisitions—what did you do with these papers?

A. I wrote them out and gave them to Mr. Bullock.

Q. You did not send them to the treasurer of the company?

A. No, sir; they were given to Mr. Bullock.

Q. You don't know anything more about them from that time?

A. No, sir.

Q. Do you remember the making of the construction agreements between Messrs. Bullock & Co. and the water companies?

A. I remember meetings at which they were made; yes, sir.

Q. By whom were they drawn?

A. I suppose by the attorney of the company.

Q. Who was he?

A. Mr. Berrian.

Q. He was also one of your directors?

A. Yes, sir.

Q. He was also attorney for Mr. Bullock?

A. Yes, sir; I think so.

Q. Was there ever any discussion about those contracts?

A. None that I remember.

Q. Can you say whether or not they were adopted in form just as they were submitted?

A. I don't remember.

Q. Do you remember certain meetings of the directors and stockholders in March, 1887?

A. I cannot place them by date.

Q. Do you remember an increase of the capital stock of the company, and resolutions being adopted to increase the indebtedness?

A. I remember such a meeting, but I cannot place the time.

Q. Can you remember whether those meetings were before or after the execution of the construction agreements?

A. I cannot.

Q. Do you remember what stockholders were present at those meetings?

A. No, sir.

Q. Do you remember any stockholders, except the directors and Mr. Bullock?

A. I think Mr. Miller owned some stock at the time.

Q. Do you remember how much?

A. No, sir.

Q. Was it as much as five shares?

A. I really cannot tell.

Q. Do you remember the circumstances of the purchase of the property of the South Ward Water-Works?

A. Yes, sir.

Q. Did you put that into one of these vouchers?

A. I don't remember now.

Q. Was it part of your original plan, when you first made the plan for the construction, to acquire or use these water works?

A. No, sir.

Q. Do you know of any reason for the change of the charge of these water-works of the old board from the South Chester to the New Chester Company—why, having first charged them to the one company and its construction contract, they were changed, and charged to the other.

A. I am not aware that I did it.

Q. You don't remember the circumstance at all?

A. No, sir.

Q. Do you remember the contract with the Holy Manufacturing Company?

A. I remember that there was a contract; yes, sir.

Q. Did you see it at the time?

A. I have seen a portion of it.

Q. Did you not see the contract as a whole?

A. Not as a whole.

Q. Were you at Chester or New York when you took up the duty in Chester?

A. I was part of the time in Chester, part of the time in New York, and part of the time at other work.

Q. Were you doing other work for Mr. Bullock besides?

A. Yes, sir.

Q. Did you receive a separate salary for the other work, distinct from the $300 a month that you received for the Chester work?

A. Yes, sir.

Q. Do you remember whether the Holly pumps were brought to Chester?

A. Yes; I cannot give you the date, however.

Q. Can you state approximately the time of delivery?

A. It was in the spring of 1888, I think. That is my recollection of it.

Q. Do you remember who brought them?

A. They were delivered there by The Philadelphia & Reading road.

Q. By any officer or employé of the Holly Company?

A. There was a man in charge of them; yes, sir.

Q. More than one?

A. I don't remember. I think not.

Q. Who was that man?

A. I don't remember whether Mr. Lockman was there first or not. I think, however, that he was.

Q. Who ran the pumps after they were brought there?

A. Mr. Lockman.

Q. In whose employ was he?

A. In the employ of the Holly Company.

Q. Did you ever make any payment to him?

A. No, sir.

Q. Do you remember a clause in the contract, providing for a test?

A. I don't remember now. I cannot recall now whether a clause was in the contract or not. The specification stated that the bidder should state the duty to be attained by the pumps.

Q. Do you remember anything about the test?

A. I remember that we were going to make a test of them.

Q. Did you ever make such a test?

A. No, sir.

Q. When were you going to make the test?

A. On the completion of the pumps. There was some difficulty about who was in charge of the company at that time, and the matter was dropped.

Q. You never made the test as provided for?

A. No, sir.

Q. How long did you remain at Chester?

A. I was at Chester in charge of the works until the latter part of October, when I considered that my connection with the Chester job terminated—on the 1st of November, 1888.

Q. How did you leave it; did you resign?

A. I never have resigned as engineer.

Q. Did you resign as director?

A. Yes, sir.

Q. When?

A. Either the middle or the latter part of last November.

Q. You never have resigned as engineer?

A. I don't recall now signing any such resignation.

Q. When did you last perform any duties as engineer?

A. During October, 1888.

Q. What duties were you performing at that time?

A. Simply closing up, inspecting, and putting the books and accounts in shape.

Q. What did you do with the books and accounts?

A. They were sent to New York.

Q. To whom?

A. They were sent there to me.

Q. What did you do with them?

A. A portion of them, I think, are there in my office now. A portion of them disappeared on the night of the 9th or 10th of last November.

Q. Have you the original requisitions for bonds, &c.

A. I think I have some of them. I don't mean the originals handed to Mr. Bullock, but a copy.

Q. Did you keep them in your letter-book?

A. No, sir.

Q. Are they on loose sheets?

A. They should be duplicates of what we handed him.

Q. Were they press copies?

A. No, sir; either written or type-written.

Q. And you think you have such copies?

A. I am not positive about all of them. I think, however, that I have some.

Q. Do you know the officers of the Holly Manufacturing Company?

A. Yes, sir.

Q. Which of the officers of the Holly Company did you meet at any time with regard to those pumps at Chester?

A. Mr. Hildreth, the secretary of the company. I believe I had one conversation with Mr. Gaskell with regard to them, but only one. He was the vice-president.

Q. Did that conversation relate to their contract?

A. No, sir. With Mr. Gaskell there was nothing said with regard to the contract, that I remember. It was simply some mechanical detail about it.

Q. How about Mr. Hildreth?

(Mr. Dale objects to evidence of conversations between this witness and Mr. Hildreth, as incompetent and irrelevant.)

A. I do not recall whether or not it was in regard to the contract?

By Mr. Ashhurst:

Q. Did you have any conversation about the test?

A. We did on one occasion.

Q. Can you say whether or not he was ready to have the pumps tested?

A. They were not ready at this time. He said that they would be in the course of three weeks, or a month, I think it was. It was some time before the completion of the setting of the pumps.

Q. Did the setting of the pumps have to be completed before they could be tested?

A. Certainly; yes, sir.

Q. Of what did that setting consist?

A. The erection of them on the foundations.

Q. You say the test could not be made until they had been set up?

A. Not until they were in perfect running order.

Q. About when was that conversation?

A. I think it was some time during the summer of 1888. It was during the progress of the erection of the pumps.

Q. When was the setting completed?

A. I cannot give you the exact date. From memory, it was, I think, some four months before the completion of the rest of the work. That would put it somewhere in June, I think. That is, both of them.

Q. During all this time Mr. Lockman remained in custody?

A. Mr. Lockman was there all the time.

Q. Was there anything said to you by any of the officers of the Holly Company as to their object and reason in keeping Mr. Lockman in charge?

A. I cannot recall whether or not that was specially touched upon. The man would naturally be in charge until the acceptance of the pumps.

Q. They never were accepted?

A. Not by me.

Q. What was the nature of the physical attachments, if any, of the pumps to the foundation—how much were they fastened down?

A. I believe they were fastened down by twelve two-inch bolts to the masonry foundation.

Q. Was there any difficulty in removing those bolts?

A. There would be no particular difficulty. A man with a wrench could easily do it.

Q. Do you remember being a stockholder of the Penn Water Company?

A. I think I was also a member of that company.

Q. Also of the Upland Company?

A. Yes, sir.

Q. Was that about the same time?

A. Yes, sir.

Q. And also in the same way?

A. In the same way.

Q. Do you remember attending a meeting of those companies for the sale of their rights to the new companies?

A. I think I attended the first meeting; yes, sir.

Q. You were a stockholder and director of both companies at the time?

A. I was.

Q. Only one share was placed in your name?

A. Only one share, I think.

Q. At whose request did you become a stockholder and director?

A. Mr. Bullock's, I think.

Q. Did you give any power of attorney as to your stock, if you remember?

A. I don't think I ever gave any power of attorney. I might have indorsed one on the back of the certificate; that is all. I don't remember distinctly whether I did or not.

Mr. Hannis, on behalf of Hopper & Co. and Bucknell, objects to the whole of the foregoing testimony as irrelevant to the issue, and declines to cross-examine.

Mr. Dale states that he has no cross-examination.

Mr. Ashhurst offers in evidence report of South Chester Water Company, and appraisement of its stock, for the years 1885, 1886, and 1887, which is marked by the Examiner, "Exhibit A4, October 4th, 1889. E. Z. B."

Objected to by Messrs. Hannis and Dale as irrelevant to any of the issues in this case. Also objected to by Mr. Dale as incompetent against the defendants R. D. Wood & Co. Mr. Dale states that he does not object to the paper offered as being a copy distinguished from the original, which is on file in the Auditor-General's office.

Mr. Ashhurst offers in evidence certificate of like report and appraisement of the same company for the year 1888, which is marked by the Examiner, "Exhibit A5, October 4th, 1889. E. Z. B."

Objected to as above.

Mr. Ashhurst also offers in evidence report and appraisement of New Chester Water Company for the years 1885, 1886, and 1887, which is marked by the Examiner, "Exhibit A6, October 4th, 1889. E. Z. B."

Objected to as above.

Also, report and appraisement for the year 1888 of New Chester Water Company, which is marked by the Examiner, "Exhibit A7, October 4th, 1889. E. Z. B."

Objected to as above.

Also, certificate from office of Secretary of Commonwealth, of election return, and certificate of sale of franchises of Penn Water Company to South Chester Water Company, dated 21st March, 1887, which is marked by the Examiner, "Exhibit A8, October 4th, 1889. E. Z. B."

Also, certificate of election return and certificate of sale of

the franchises of the Upland Water Company to the South Chester Water Company, which is marked by the Examiner, "Exhibit A9, October 4th, 1889. E. Z. B."

Also, election return, and certificate of increase of capital stock of the South Chester Water Company from $1000 to $600,000, made on 21st March, 1887, which is marked by the Examiner, "Exhibit A10, October 4th, 1889. E. Z. B."

Also, election return and certificate of increase of capital stock of New Chester Water Company to $500,000, dated May 1st, 1885, which is marked by the Examiner, "Exhibit A11, October 4th, 1889.

Also, election return and certificate of increase of capital stock of the New Chester Water Company, from $500,000 to $1,000,000; dated 21st March, 1887, which is marked by the Examiner, "Exhibit A12, October 4th, 1889. E. Z. B."

Also, election return and certificate of indebtedness of the New Chester Water Company for amount not exceeding $500,000, dated 21st March, 1887, which is marked by the Examiner, "Exhibit A13, October 4th, 1889. E. Z. B."

Adjourned to 12.30 P. M., Monday, October 7th, 1889.

MONDAY, October 7th, 1889, 12.30 P. M.

Present—The Examiner, and Messrs. Ashhurst, Bowen, Hannis, and Dale, of counsel.

JOHN C. LOCKMAN, having been duly sworn, was examined as follows:—

By MR. ASHHURST:

Q. What is your business?

A. Engineer and machinist.

Q. Have you been in the employ of the Holly Manufacturing Company, and, if so, about how long?

A. About seven years.

Q. Did you go to Chester in their employment?

A. I did; in the last week of November, 1887.

Q. Please state what you did when you went there.

A. In company with another person named Mr. Elliott, in the employ of the Holly Manufacturing Company, I went to Chester to erect two pumping machines. On arriving there we had to wait a few days before the foundations were ready. We finally proceeded to erect the machinery. We pulled one machine into the engine-house and did all we could towards erecting that machine, when Mr. Elliott left me some time in January, 1888. From that time until February, you might say, I was idle, although I had to stay there. When the second pumping machine arrived I unloaded it, which took about one week or less. The foundations were then ready for the second machine about the 27th of March. I then proceeded to erect that, and also finished No. 1; and finally started machine No. 1 about the 4th of May. We did a little pumping now and then, but very little, with No. 1—for a week or two on the other. After that you might say that engine No. 1 pumped most every day. Engine No. 2 was completed—in fact, both engines were completed and all painted in July, which might have let me up from there if things were settled. It was all completed—all painted and finished in July. Things went along very smoothly and run in my charge until September 20th, when I received instructions from the Holly Manufacturing Company to place a notice upon each engine, reading as follows: "This engine with its connections, and the pumps thereto attached, is the property of the Holly Manufacturing Company."

(Objected to.)

THE WITNESS:—I received that notice in the morning, and by nine o'clock I had it upon the machine—one that I had written on paper myself. By 3.30 I had a large one painted, so that it could be plainly seen. September 21st the notice was taken down by employés of the Chester Water Company; I replaced it again, and on the 22d it was taken down and I replaced it also. September 23d the notice was on all day. After that they allowed the notice to stay up.

Things went along very smoothly until the 27th of March, 1889, when the superintendent of the Chester Water Company,

Mr. Johnson, with several employés, came in in the morning of Sunday, about one o'clock, and took possession of the building, the Holly Company at the time having a watchman in the building.

Q. Who was he?

A. Mr. David Beardsley. It being Sunday morning, at that time we not doing any running on Sunday, the watchman left the works about eight o'clock and came to my hotel to inform me of what had happened. On Sundays I always made it a practice to visit the works. It was my habit to do so, but I was always a little late because we didn't run on Sundays.

(Objected to.)

It was probably nine or ten o'clock before I got down there, and consequently the watchman left the building to come to the hotel to inform me of what had happened. I then went down and tried to gain admittance, but couldn't. I tried the door, and couldn't get in. I spoke through the window to the parties who had possession, and wanted them to let me in. They would not. I then asked for the books that I had in a locked drawer in a desk there, and they informed me that I would have to wait until the superintendent, Mr. Johnson, arrived. It was raining very hard. I went back to the hotel, and shortly afterwards I saw the superintendent going down, and followed him down. He entered the works by a door in an old storehouse that communicated with the yard of the works. I asked him if I could come in, and he said yes, I might come in out of the rain, but I couldn't enter the pumping station. He made some sort of expression that he wouldn't let anybody in, from the Governor down, unless it suited him. I came to Philadelphia on Sunday and found Mr. Hawkins, and finally visited Mr. Ashhurst and put the facts before him.

Q. You remained out of possession until after the argument in court?

A. Yes, sir. Then under an agreement that evening, which I believe was Tuesday, at six o'clock I took possession. The engines had been stopped, but they were started that afternoon at three o'clock. I went down and they gave me possession. I had them stop the machine and leave it just as

they found it. I examined the machine, and started about one half hour afterwards, and run until, I think, ten o'clock, so as to keep up the water supply. From that time until the present date everything has been very pleasant there. I have had full charge of the pumping machinery since that time.

Q. When you first went down there you say that you were with Mr. Elliott?

A. Yes, sir; he was an employé of the Holly Manufacturing Company.

Q. Had one engine been partly sent down there already?

A. Yes, sir; one engine was lying in a sort of shop, unloaded from the cars.

Q. How was it marked?

A. It was marked, "Holly Manufacturing Company, Chester."

Q. Did you then proceed to put that up?

A. Yes, sir.

Q. When did you begin to pump with these engines?

A. The machine started to pump water May 4th. It was run previous to that, but the suction pipe wasn't ready, so that we couldn't get water. It was run a day or two previous to that.

Q. Who paid for the expense of putting it up?

A. The Holly Manufacturing Company.

Q. Was it done under your charge?

A. It was, from the time I took charge. Mr. Elliott had charge until about the middle of January, 1888. From that time I paid all the bills.

Q. Do you know who put up the foundations?

A. Yes, sir; the water company erected the foundations—the superintendent.

Q. Who was that—Mr. Fuller?

A. Mr. Fuller was chief engineer.

Q. It was put up under his charge?

A. Yes, sir; under his charge, or assistants.

Q. When the second engine came, how was it marked?

A. "The Holly Manufacturing Company, Chester."

Q. Did you put that up also?

A. I did.

Q. About what time were those pumping engines put up upon the foundations?

A. The first machine was started to put on the foundations about in the last week of November; I don't know the exact date, but the foundations were not ready for the second machine until the 26th or 27th of March, 1888.

Q. When was the second machine put upon the foundations?

A. It was started the 27th of March.

Q. After they were put upon the foundations, how soon were they ready to work?

A. The first one, as I say, we proceeded as far as we could with, but as the boilers and building were not in condition, we could not do much until spring.

Q. You had nothing to do with the boilers, had you?

A. No, sir.

Q. Were the machines ever tested by Mr. Fuller?

A. Not that I know of. There never was an official test at Chester, as far as I know.

Q. Have you put up other machines at other times?

A. I have assisted; yes, sir.

Q. Are you familiar with the tests?

A. I am; yes, sir.

Q. In whose custody were those pumps?

(Objected to by Mr. Dale as asking for a conclusion of law.)

Q. Who had charge and custody of those pumps?

(Objected to.)

A. I had charge of them.

Q. Did anybody else ever work them?

A. No one ever started the machine or stopped it, or had charge of it until the following Tuesday after the 27th of March, 1889, that we had this trouble, when a person by the name of Cooper, employed by the Chester Water Company, started the machine about three o'clock in the afternoon, or somewhere along there, and run it until six o'clock.

Q. Who did you have in your employ at different times

there, if anybody? I mean, since the works were completed.

A. I was instructed to hire a night watchman, and I hired a man by the name of William Greenhalch.

Q. During what time did you employ him?

A. He was put on September 21st, 1888, and continued on until December 15th, when I entered into an agreement with the superintendent of the Chester Water Company to put on a watchman, and the expense would be divided—they to pay half, and the Holly Manufacturing Company to pay half—and he would look after their interests while so employed. Mr. Greenhalch then finding other employment, we hired a man by the name of Archibald Crozier. He continued on as watchman. I paid him the full amount of his wages, and received the difference from the Chester Water Company.

Q. Do you mean from Mr. Johnson?

A. Yes, sir.

Q. How long did that last?

A. Until Christmas night.

Q. Who did you have then?

A. Then the night man didn't seem to like the work, or something or another. I asked him, and he said that I had better get somebody else; that he really didn't care to have the job. That left me without a watchman. That very night I visited a man named Beardsley, and had him come down and take his place. He continued on as watchman, both for the Chester Company and the Holly Manufacturing Company until—I don't remember the date, but it will be shown by the agreement which I forwarded here. From that time the superintendent informed me that he had no right to enter into such an agreement, and, of course, I had to make a different bargain with the night watchman; but I continued him on.

Q. Until after this trouble in March?

A. Yes, sir; I continued him on until June 15th. After June 15th I employed a man named John Farley, who has continued on ever since as night watchman.

Q. You paid their wages?

A. Yes, sir.

Q. Before the 20th of September, before you put up these notices, who did you see representing the water company about the premises, and what did any of the water company people do as to the working?

A. There was nothing done. Everything was very pleasant.

Q. What workmen did they have about?

A. They had a janitor about the building. They had the fireman who made up the fires.

Q. You had nothing to do with the furnaces?

A. No, sir; I had nothing to do with the furnaces, nor with the boilers.

Q. Did they have any man who touched the engines or the machine?

A. No, sir; the janitor of the building assisted me. He would do a little oiling for me, and keep the floor and the building clean.

Q. Until March, did anybody ever interfere with your exclusive management of these engines?

A. No, sir.

Q. Did anybody ever offer to pay you except the Holly Company, for running the engines?

A. No, sir.

Q. Did anybody else ever pay you anything?

A. No, sir.

Q. You knew Mr. Fuller?

A. Yes, sir.

Q. How long do you remember his remaining in chief charge there?

A. I don't know that I can give you anywhere near the date, but it seems to me it was in the latter part of last summer, about this time of the year or a little sooner than this. That would be about a year ago. It seems to me it was about that time.

Q. Who succeeded him as chief engineer or superintendent—anybody?

A. No, sir. The superintendent of the Chester Water Works had charge of the plant after that.

Q. Do you mean Mr. Johnson?

A. Yes, sir.

Q. When did Mr. Johnson first come there?

A. He was superintendent of the old works, and continued on with the new company.

Q. He had always been about there?

A. Yes, sir.

Q. Can you say whether or not any of these parties at any time gave you any directions as to the running of the engines?

A. Well; yes, sir; there have been times when they wanted the engines stopped. There was a sufficiency of water, and they would stop the machine. At other times there was work to be done that necessitated the stopping of the machines, and they would ask me to do so. Of course they would keep me informed as to the water, and when to start and how long to run.

Q. State whether or not you had any instructions from the Holly Manufacturing Company as to retaining possession and control of these pumps.

A. I did; yes, sir. I had instructions from the Holly Manufacturing Company to retain full possession and to allow nobody to interfere with them in any way. I was to retain full possession of the machinery and have full charge.

(Question and answer objected to by Messrs. Hannis and Dale.)

Q. When was that instruction given you?

A. I don't know that I can give you the date. It was somewhere about midsummer of 1888.

(Question and answer objected to by Messrs. Hannis and Dale.)

Q. Can you say whether or not you carried out those instructions?

A. I did.

(Question and answer objected to by Messrs. Hannis and Dale.)

Q. When those instructions were given you, was there or not anything said to you by your employers as to whether the machines had been paid for, and as to possession being held until payment?

(Objected to.)

A. Yes, sir; I understood that the machines were not paid for, and that I was to hold possession for the Holly Manufacturing Company.

Q. Could the pumps be operated and tested without being attached to the ground in the manner that they are attached?

A. No, sir; they could not.

Cross-examination.

By MR. DALE:

Q. Please state, generally, what these pumping engines are like.

A. They are a horizontal compound pumping machine.

Q. Composed of what parts?

A. Composed of four steam cylinders, two water cylinders, one fly-wheel, two cranks, and the necessary mechanism to connect them.

Q. Of what material are they constructed?

A. Cast iron, steel, wrought iron, and brass.

Q. Approximately, what was the weight of each pumping engine?

A. I think they weigh probably seventy or eighty tons, each machine. I am not positive.

Q. When you say that those engines were sent to Chester, marked "Holly Manufacturing Company, Chester," you mean the railroad marks upon them, do you not?

A. I suppose so.

Q. That was what the meaning of your answer was, which you previously gave?

A. Each piece has a mark upon it. Every piece is marked in the shop.

Q. That is the mark that the manufacturer puts upon his machine—is that what you mean?

A. That is marked on every piece—"The Holly Manufacturing Company, Chester."

Q. Was that the shipping mark, or a permanent mark?

A. It was the shipping mark.

Q. These machines were properly constructed and put up

by the Holly Company in accordance with the terms of their contract, were they not?

A. They were, as far as I know.

Q. Have they worked well since they were put in operation?

A. They have worked well; yes, sir. I have heard no complaint.

Q. And so far as your knowledge has gone, you believe that the contract was complied with properly by the Holly Company?

A. It was; yes, sir. I think so. There was nothing but delay—there were a great many delays, so that we couldn't get on with our work; the Holly Manufacturing Company having their men there ready to do the work.

Q. But when the work was done, it was properly and completely done, wasn't it?

A. It was.

Cross-examination.

By MR. HANNIS:

Q. What kind of a building are these pumps in?

A. A brick building—a good substantial building; a very handsome building.

Q. About how many feet in length and breadth?

A. I suppose the engine-room is about fifty feet square, very nearly; I don't know the exact measurements, but I judge that.

Q. How high is the building?

A. The inside walls, I should judge, would go eighteen or twenty feet.

Q. The building is completely inclosed in brick, except the windows and doors, isn't it?

A. Yes, sir; it is a complete brick building, with the exception of the doors.

Q. With no apertures, excepting the windows and doors.

A. That is all.

Q. Were the engines put in place before the building was completed?

A. Yes, sir.

Q. So that the building was built around the engines?

A. The building was built around one engine, and the second

engine was taken through a door, but the building was not complete at the time; the plastering wasn't done when the second engine was put in. When the first engine was placed on the foundations, I don't think the walls were over three or four feet high.

Q. It had a boiler-room attached?

A. Yes, sir.

Q. You had nothing to do with the boilers?

A. No, sir.

Q. Were those boilers set up before the pumps were put in?

A. The first pumping engine was set up before the boilers were put in. The boilers were not ready until spring.

Q. These pumps have been supplying water to the citizens of Chester since that time?

A. The machine was started the 4th of May, 1888. There was portions of the town put on—the new system was gradual. One week there would be a section put on, and so on until the whole town was finally put on the machine.

Q. And now the whole town is supplied by water from these pumps?

A. Yes, sir.

Re-direct examination.

By MR. ASHHURST:

Q. You say the second pump was taken in through the door?

A. Yes, sir.

Q. How large is that door?

A. That door is probably eight feet wide—two doors—double doors. It is a large double door, about the size that they make double doors.

Q. How high?

A. About the same height.

Q. You took the machine in parts?

A. Oh, yes; it was all in parts.

Q. You took it through that door without difficulty?

A. Yes, sir.

Re-cross-examination.

By Mr. Hannis:

Q. The pump is placed upon foundations of either brick or stone, is it not?

A. On foundations of brick, with a coping stone on top of the brick—a large stone.

Q. Are the pumps set simply on that foundation, or is the foundation built around the pumps?

A. Set right on the foundation, on the stone, or on lead—on brimstone—sulphur, as we call it.

Q. Does it rest there by its own gravity, or is it fastened by bolts to the mason-work?

A. It is fastened by bolts to the mason-work.

By Mr. Ashhurst:

Q. Would there be any difficulty in taking those engines out of that door?

A. None whatever, if it was necessary.

Q. You could take out the bolts?

A. Yes. Well, I couldn't take out the bolts, but I could take the engine off the bolts.

Q. And you could leave the foundations and the bolts and building undisturbed, couldn't you?

A. Yes, sir.

Charles G. Hildreth, having been duly sworn, was examined as follows:—

By Mr. Ashhurst:

Q. Are you an officer, and, if so, what officer of the Holly Manufacturing Company?

A. I am the secretary.

Q. How long have you been an officer of that company?

A. More than twenty years.

Q. Do you know Mr. Samuel R. Bullock, the contractor in this case?

A. Yes, sir.

Q. Do you know Mr. Hopper, one of the defendants, and also Mr. Wood?

A. Yes, sir.

Q. How long had you known Messrs. Bullock & Co.?

A. Five or six years.

Q. Did you negotiate contracts with them for the Chester and Mobile Water-Works?

A. Yes, sir.

Q. Had you had previous dealings with Bullock & Co.?

A. Yes, sir.

Q. Were you acquainted with what Bullock's capital and means were?

(Objected to by Mr. Hannis.)

A. Yes, sir; I had his verbal statement in regard to it.

Q. What did you understand—what was your knowledge, at the time of making these contracts, of Messrs. Bullock & Co.'s capital?

(Objected to.)

A. The statement that I had from him was not made at this particular time.

Q. What information had you as to his capital any time prior to the making of these contracts?

A. The first contract I made with Mr. Bullock was for engines for Paducah, Ky., and I then inquired particularly of him with regard to his financial strength. He told me that he had put about $5000 or $6000 into the business, and that all of his property would not exceed in value $20,000.

Q. Had you any information to change that estimate at the time of making these contracts?

A. Only that he had continued in business, and had secured a number of contracts, and that the business had increased to a very large extent; that he had issued a good many bonds and a considerable number of shares of stock in different companies, and hypothecated the bonds and stock for money, and had sold some bonds and stock for money to enable him to carry on his work. That his financial standing from time to time would depend very much upon the success that he might meet in his business eventually.

(Mr. Dale here desires to note an objection to the present and preceding answers, and to all future questions and answers relating to conversations between this witness and

Samuel R. Bullock, as conversations between coplaintiffs are not admissible against the defendants.

Mr. Hannis joins in the above objection.)

By Mr. Ashhurst:

Q. State whether or not in making the contracts you depended upon the lien clauses, or whether you would have been willing to give Messrs. Bullock & Co. credit for the machines supplied them, without reservation of the lien clauses.

(Objected to by Messrs. Hannis and Dale, upon the ground that the operations of the witness' mind are not the subject of testimony.)

A. We depended upon the lien clauses, and would not have given them credit without them.

(Objected to.)

Q. Had you or not made similar contracts, prior to the contract in question, with Bullock & Co?

A. Yes, sir.

(Question and answer objected to, because the conduct of Mr. Bullock and this witness in other transactions is not relevant to the issues in this case.)

Q. In each and all of the prior contracts, was or not substantially the same lien clause incorporated?

(Objected to.)

A. It was.

Q. Please give a history of this transaction?

A. Mr. Bullock requested me to make a proposal for some pumping machinery for the water-works at Mobile, and afterwards at Chester, and we submitted proposals which were accepted by him. The contract in question was prepared and executed by Samuel R. Bullock & Co., and by myself as secretary of the Holly Manufacturing Company.

Q. What was the next step?

A. The next proceeding was to manufacture the pumping machinery, and carry out the terms of the contract. The first engine was shipped to Mobile.

(Objected to.)

Q. About when was that?

A. In June, 1887.

Q. How was it shipped; to whom was it consigned?

A. It was consigned to the Holly Manufacturing Company, Mobile, Ala. A payment came due, and Mr. Bullock was called upon for the first payment, which was made after some delay. After that the first engine was shipped to Chester.

Q. When was that?

A. In October of that year, 1887.

Q. How was it shipped?

A. It was shipped to the Holly Manufacturing Company, Chester, Pa.

Q. Was it so consigned?

A. It was so consigned. The payments were called for on that engine, and after some delay one payment was made of $8333.33.

Q. About when was that?

A. The first payment on the Chester machine was made in November, 1887. I think it was about the tenth of the month.

Q. Previous to the shipping of the first engine to Chester, state whether or not there was a default in the payment of moneys due for the first Mobile engine.

(Objected to.)

A. There was; yes, sir.

Q. Did you or did you not have an interview with Mr. Bullock in relation to that?

(Objected to.)

A. Yes; I had several interviews with him.

Q. Did that have reference to the shipment of the first engine to Chester in any way?

(Objected to.)

A. It did.

Q. State in what manner.

(Objected to.)

A. About the 1st of September, 1887, it came to the knowledge of the Holly Manufacturing Company that Mr. Bullock had failed to make payments of indebtedness at Mobile, and that legal proceedings had been instituted against

him. Payments had come so slowly from Mr. Bullock, and with such apparent reluctance, that we became fearful that he would not be able to continue to make the payments from his own resources. His failing to pay in Mobile caused us to be apprehensive that he would not be able to pay at Chester. We declined to ship the Chester engine until we had some assurance that he could pay for it.

Q. State what followed that.

A. I had numerous interviews with Mr. Bullock, and asked him to inform me what his resources were or would be, and what assurance, if any, he could give us that he would be able to meet the payments as they matured, when he informed me, in the early part of October, 1887, that he had negotiated a loan in Philadelphia with men of ample means, for a sum of money sufficient to enable him to complete the Mobile and Chester Water-Works, and that he would pay us for the engines out of the money which he received upon that loan. On the strength of the statement that he made we resumed operations, which had been in a measure suspended at Mobile, and consented to the shipment of the first engine to Chester.

Q. State a little more fully the statements which he made to you which led to the shipment of the first engine to Chester.

A. He stated that he had made an agreement with Hopper & Co. of Philadelphia, and with Mr. Bucknell, also of Philadelphia, for a loan as before stated, the amount of which was some $300,000; and that Walter Wood, of the firm of R. D. Wood & Co., had come into the transaction and had agreed that the works could be completed for the amount of money that Hopper & Co. would advance, and that he would see that the works at Mobile and Chester, and also at Greencastle, would be turned over, free of all incumbrances except the first mortgage bonds. He stated that Hopper & Co., who had been advancing him money on the Chester and Mobile contracts from time to time, had become fearful that the amount of advances to be made upon the bonds, as then agreed, would not be sufficient. The reservoir at Mobile had given way and entailed extra cost to repair it,

and that they declined to advance him any more money until he could give them security or satisfactory assurances that the work would be completed and turned over to them free of all incumbrances except the first mortgage bonds. He finally went to Walter Wood, who was a large creditor, and stated the case to him; and Walter Wood interested himself in such a way that he brought about a new agreement.

Q. Did he state between whom?

A. An agreement between Hopper & Co. and Bullock and Wood & Co.

Q. Did he state what that contract was?

A. As I have already said, it was a contract that Hopper & Co. would advance a certain amount of money, and that if that money was not sufficient Wood & Co. would see that the works were completed in running order and turned over free of all incumbrances, except the first mortgage. That was the substance of the statements that he made to me; and on the strength of those statements we went on with the work of manufacturing the machine, shipping it and setting it up.

Q. You sent the machine to Chester. Who did you send there to take charge of it, if anybody?

A. We sent there to receive the machinery and unload it from the cars, in the first place, a man by the name of Murphy, and another man by the name of W. P. Holly. After that we sent to erect the machine and put it in place Mr. James W. Elliott and John Lockman. Mr. Holly was recalled and sent to some other place, I don't know where, and Murphy remained there for some time; I don't know how long.

Q. Did you give any instructions to the persons whom you sent, as to remaining there or what they should do?

A. The instructions, in the first place, were to set the machinery up in running order, and to report from week to week the progress that they were making. Afterwards we gave them instructions to remain in charge of the machinery and not to surrender it or give charge or control of it to any one without instructions from the Holly Manufacturing Company.

Q. What payment next did you receive after the shipment of the first Chester engine?

A. We received a payment of $8333.33 on the first Chester engine, and we received some subsequent payments on account of Mobile. The first payment was the only payment we have received, at any time, on account of Chester.

Q. When was that payment made?

A. I think about November 10th, 1887. We also received certain payments on account of Mobile, as I have stated.

Q. What occurred next in historical order?

A. Mr. Bullock paid us on the 10th of November $5333.33 on account of Mobile; on the 25th of November he paid us $1333.33 on account of Mobile, and on the 9th of December $1000 on account of Mobile.

Q. What next occurred?

A. During these negotiations, or during this time, we presented a bill to Mr. Bullock for $518, for engineer's wages and expenses for running the pump at Mobile while our men were in charge of it; which bill he accepted and approved, agreed to pay, and did pay, I think, in January, or thereabouts—December, 1887, or January, 1888. Then payments stopped for a time, and it was difficult to get money. They were diminishing in amount, and we refused to ship any more machinery to him unless the money was forthcoming. The second Chester engine, which was ready to ship, we declined to forward unless he could make up his payments that had meanwhile fallen due on the first Chester engine. He made promises from time to time, and finally said that he had been over in Philadelphia, and promised that the money should be forthcoming to make the first payment on the second Mobile engine.

Q. When did you get the next payment?

A. The next payment was made on the second Mobile engine by note, having a few days to run, which matured on the 27th of March.

Q. When did you ship the second Mobile engine?

A. About the middle of January, 1888.

Q. Did you receive payment on the 11th of January of a note?

A. Yes; there were payments made from time to time, but I have no memorandum of them, and I cannot give you the dates.

Q. Soon after that the second Mobile engine was shipped. Did you see Messrs. Hopper & Co.?

A. Yes, sir.

Q. About when?

A. I saw Messrs. Hopper & Co. in the latter part of January, 1888.

Q. How did you come to see them, and what took place?

A. I was not fully satisfied with the statement that Mr. Bullock had made me, and with the manner in which he was making his payments, and I came over to Philadelphia and called on Hopper & Co.

Q. Who did you see of Hopper & Co.?

A. Both of the Hoppers. One of them—I can't remember exactly which, but the one that I saw first, who was introduced as "Mr. Hopper"—said that those matters were in charge of his brother, and referred me to him. He came in soon after, and I think he is the gentleman now present—Mr. H. S. Hopper.

Q. Then did your conversation go on with both, or only with Mr. H. S. Hopper?

A. Only with Mr. H. S. Hopper, I think, in the main. The other gentleman didn't pay much attention to it. In fact, he wasn't present much of the time, if at all.

Q. What took place?

(Objected to by Mr. Hannis.)

A. I stated to Mr. Hopper what I have substantially heretofore stated, that we had contracts with Bullock & Co. for pumping engines at Mobile and at Chester; that he was behind in his payments; that the contracts were for large amounts; that we naturally felt a little apprehensive, in view of the fact that he was delinquent in his payments and of the financial difficulties which he had heretofore had; that Mr. Bullock had told us that he had an agreement with Hopper & Co. to advance sufficient money to complete the water-works at Chester and Mobile, and that I would like to know if that

was so. Mr. Hopper replied that the statements I had made as coming from Mr. Bullock were substantially correct. I asked him if Mr. Bullock had drawn all the money that he was entitled to. He replied that he couldn't say as to that; that there might be something yet coming to him, but he declined to name any amount. I told him, further, that we had under our contract a lien and right to hold possession of the pumping engines until the payments were all made under the contract, and that we should certainly reserve our rights in that matter, and would claim possession or ownership in the machinery until it was finally paid for. He stated that he had confidence in Mr. Bullock's integrity and in his ability, and that he thought there would be no trouble, and that Mr. Bullock would be able to complete his work. I then asked him what he would do in case it was found that the money they were to advance was not sufficient to complete these contracts, and he replied that he did not like to change horses when crossing a stream; that the work would probably go on. I told him that on the Chester and Mobile contracts Mr. Bullock was owing altogether about $82,000, part of which was past-due and the balance to become due. That is, substantially, as nearly as I can recollect the conversation that I had with him at the time.

Q. Do you remember whether or not any surprise was evinced, or any objection made, to your mention of the lien and right of possession being retained by the Holly Company?

(Objected to.)

A. No; there was no surprise expressed at the time, and no objection made.

Q. What was the next step in the transactions?

A. I then renewed my applications to Mr. Bullock for money, and received the note heretofore mentioned, of $8333.33, which matured and was paid on the 27th of March, 1888.

Q. Did you give a receipt for that payment?

A. Yes, sir.

Q. (Paper shown witness.) Is that a copy of said receipt?

A. It is; yes, sir.

(Said paper offered in evidence by Mr. Ashhurst, and marked by the Examiner, "Exhibit A14, October 7th, 1889. E. Z. B."

Objected to by Mr. Hannis; first, because it relates to Mobile; and, second, because the contents thereof are irrelevant so far as his clients are concerned.)

Q. When did you send the second Chester engine to Chester?

A. It was shipped on the 10th of February, 1888. Shipments were begun on that day and continued for a few days afterwards, until it was all shipped.

Q. How did you ship that second engine?

A. To the Holly Manufacturing Company, Chester, Pa.

Q. How were the bills of lading framed?

A. It was consigned in the same way.

Q. What next took place?

A. About the 30th of March, 1888, Mr. Bullock told me that the Philadelphia people absolutely refused to advance any more money. Then the payments, if I am not mistaken, stopped. Matters ran along until the summer, when we endeavored to make arrangements so that our claim against Bullock & Co. and the rights to those machines would be secured and recognized. With that object in view we opened negotiations with the parties in Philadelphia with whom Mr. Bullock said he had made arrangements for the money, and who had agreed among themselves to carry on the work and see it completed.

(Answer objected to unless parties are named.)

THE WITNESS:—Hopper & Co. and R. D. Wood & Co. I had an interview with Mr. Hopper. Mr. Bowen, the attorney of the company, was present with me.

Q. About when was that?

A. I think it was in August, 1888. I told Mr. Hopper that we had not received payment from Mr. Bullock on account of the machinery at Chester and Mobile. He remarked, "Hasn't Wood paid that yet?" I told him no; and we stated to him that we were willing to wait for our pay if it could be secured. We had some further conversation with him on the subject,

and he said that he was not prepared to say anything, in the absence of his attorney, Mr. Hannis, and that he would see Mr. Hannis as soon as he could, and talk with him about it. After that we had interviews with Mr. Walter Wood on the subject, and also notified him of the condition of things between the Holly Manufacturing Company and Mr. Bullock; that we were willing to wait for our pay if it could be secured; and he replied that he supposed if Mr. Bullock owed the Holly Company anything he would pay it. We told him that we understood and had reason to believe that he was under some obligation to see that these payments were made for those engines, as well as other materials furnished in connection with those water-works. He said, "Do you want me to guarantee Mr. Bullock?" We said, "We would like to have you do so." He says, "How much will you give me if I guarantee the paper?" We told him we would not give him anything. Negotiations went on from time to time, and various interviews, when Mr. Wood made the proposition that if we would settle the matter by taking Mr. Bullock's notes, having one, two, three, and four years to run, bearing interest at the rate of four per cent., R. D. Wood & Co. would indorse the notes if we would pay them $7500 in cash for doing so, which offer we declined, and then abandoned any attempt to get an adjustment of the matter, and instituted legal proceedings soon afterwards.

Q. At the first interview with Mr. Wood, can you remember whether or not anything was said on the subject of your rights under the contract with Bullock & Co.?

A. Yes; we told him that we had a lien on the pumping machinery under the contract, and possession of it.

Q. Who was present at that conversation?

A. Mr. Bowen. The conversation occurred in Wood & Co.'s building, corner Fourth and Chestnut Streets, Philadelphia, at the main entrance. We called at Mr. Wood's office and were informed that he was out, but that he was expected in soon. We went down to the entrance and waited a little while, when he came in; and we spoke to him, and held the first interview there at the entrance.

Q. What, if anything, did Mr. Wood say in reply to this statement of yours?

A. He made no objection to the lien or possession—the statement that we had made. And it was then, I think, that he made the remark that if Bullock & Co. owed us anything they would probably pay it—or he hoped they would pay it.

Q. Do you recall anything else at those conversations?

A. No; I cannot recall anything that made any special impression upon my mind at the time.

Q. Did you visit the works at Chester, from time to time, during the progress of these matters?

A. Yes; I went there and made three visits.

Q. When you went there what did you see?

A. At the first visit I found the first engine lying in the street, and the foundations for the engines completed, with the exception of placing the capstone. The walls of the house had been raised perhaps four feet. The weather was rainy and bad; I had an interview with Mr. Fuller, the engineer, about finishing the foundations, so that our men could go on with the work of erecting the engine—about putting up a temporary shelter for them—which he said he would attend to without delay. I found our own men upon the ground and notified them what Mr. Fuller had promised to do—urged them to hasten on the work as rapidly as possible, and came away.

Q. When was the second time?

A. The second time was after the engines were completed, or nearly so. I went there to find Mr. Bullock. That was during the time, or about the time, that these negotiations with Mr. Hopper and Mr. Wood, regarding security, were begun.

Q. That was in the summer of 1888?

A. Yes. I found our Mr. Lockman in charge, and gave him then explicit instructions that he must retain possession and control of the machinery until he received other instructions from the Holly Manufacturing Company; that we had not received payment for them in full, and desired to hold them as security for the money remaining unpaid.

Q. Were the engines then working?

A. Yes; one of the engines was. I don't know that the

engine was working at that particular time, but it was in working order.

Q. Was the building completed?

A. Yes, sir; substantially.

Q. Did you see Mr. Fuller upon that occasion?

A. I think not. We saw Mr. Bullock, and arranged with Mr. Bullock to meet us here in Philadelphia. Mr. Bowen was with me on that trip. Mr. Bullock came back with us to Philadelphia, and the negotiations were continued, Mr. Bullock acting as a sort of intermediary between Hopper & Co. and Wood & Co., and Mr. Bowen and myself on the part of the Holly Manufacturing Company.

Q. What was Mr. Bullock doing at Chester when you went there?

A. He was in conference with some one at one of the banks at Chester—I don't know who.

Q. When was your third visit to Chester—was it after the commencement of this suit?

A. It was; yes, sir. I have made one or two visits there since then, but without reference to matters pertaining to this suit at all; except that when I was there I found everything in working order with our man, Mr. Lockman, in charge and a notice on the engines that they were the property of the Holly Manufacturing Company.

Q. What officers of the Chester Water Company did you ever know before the beginning of the proceedings, or ever have any intimacy with?

A. Mr. Fuller, the chief engineer, and a director of the company—Mr. Berrian, a director of the company, and Mr. Woltman, treasurer of the company.

Q. Did you know anybody else in connection with the company, except those gentlemen?

A. I don't recall any other names at present.

Q. At the interview with Mr. Hopper, in August, do you recall whether or not you took with you a copy of the contract between you and Messrs. Bullock & Co.?

A. Yes; I had a copy of it with me.

Q. What did you do with it?

A. I don't recall what I did with it.

Cross-examination.

By MR. DALE:

Q. What is the memorandum to which you have been referring, from time to time, during your examination?

A. Notes that I have made, containing dates.

Q. Have you any objection to my seeing it?

A. Not the least. (Handing same to counsel.)

Q. The Holly Manufacturing Company is a corporation?

A. Yes.

Q. It is not a partnership?

A. It is a corporation.

Q. It is a corporation organized under the laws of the State of New York?

A. Yes.

Q. You say that you first had dealings with Mr. Bullock in a matter at Paducah?

A. Yes.

Q. About when was that?

A. About five years ago from now.

Q. That would be two or three years prior to your dealings with him with reference to Mobile and Chester?

A. Yes.

Q. At the time of your Paducah transaction with him, you say that you made certain inquiries as to his financial condition?

A. Yes.

Q. And you obtained certain detailed information about him?

A. Yes.

Q. After that you made no detailed inquiries with reference to his capital, as I understood you?

A. I did; yes.

Q. What was the result of those inquiries?

A. I made inquiries from him.

Q. What did you find out by them?

A. I found out that he had been taking contracts at various places; that he was issuing bonds by the hundreds of thousands of dollars, and stock in equal proportions; that he was

securing franchises for the construction and erection of water-works, and purchasing large quantities of material, and that he was doing a very large business. He told me, from time to time, the prices that he was getting for bonds that he had sold; the kind of loans that he had secured, with the bonds as collateral; and generally told me how he was conducting his business, and what he was doing.

Q. Were his representations to you that his business was profitable?

A. Yes; he told me on two or three occasions that he expected to realize sufficient money out of the proceeds of the sale of bonds to pay for the construction of the water-works, and that he would have the stock that he issued in these different companies left clear; that he thought in the course of a few years he would have some millions of dollars' worth of this water stock, some of which would undoubtedly be good.

Q. Water stock, or watered stock?

A. Water stock. He left off the "d." He said some of it would probably not be so good, but, upon the whole, he thought he would come out a rich man.

Q. With a good deal of valuable property?

A. Yes.

Q. Water properties have been very valuable investments, have they not?

A. I should have to refer you to Mr. Bullock to answer that question.

Q. You have had a pretty large experience in them yourself, have you not?

A. Not so large in water properties as in manufacturing. Our company has constructed some water-works under contract for bonds in payment, and a few where we have owned and controlled and operated them.

Q. You have had that general familiarity with the business of constructing and operating water-works which enables you to have an opinion whether water properties are valuable or otherwise?

A. Yes, sir.

Q. What is your opinion; are they a valuable class of properties?

A. Some of them are valuable; some are not.

Q. Haven't most of them proved very valuable upon the cost of construction.

A. I couldn't answer that question in that way.

Q. Haven't most water-works which have been constructed in this country paid a large return, when the cost of their construction is taken into consideration?

A. I can't say whether most of them have or not; some of them have, some haven't.

Q. Have many?

A. Many have; yes, sir.

Q. Have many not?

A. Many have not.

Q. Please mention some of the many which have not.

A. I understand that Corry, Pa., is one that has not been profitable thus far.

Q. How long has it been in operation?

A. Two or three years, I think.

Q. What was the cost of its construction?

A. I don't know.

Q. Then you don't know that it has not paid a return upon the cost of its construction?

A. I said that I understood it hadn't been profitable. From my own actual knowledge of water-works in which the Holly Manufacturing Company or myself have been personally interested, they have all been profitable.

Q. I understand that your first interview with Mr. Walter Wood, or any member of the firm of R. D. Wood & Co., was in August, 1888?

A. Yes; I think it was about that time. The latter part of July or the fore part of August.

Q. Prior to that time you had had no communications with them, either by interview or correspondence, had you?

A. No, sir.

By Mr. Ashhurst:

Q. You mean with reference to this matter?

A. Nor any other matter.

Cross-examination.

By Mr. Hannis:

Q. When Mr. Bullock first asked you to make proposals for these water-works in Chester, you knew for what company they were to be constructed, did you not?

A. I had no specific information from him on that point.

Q. But you knew it was to be for a water company in Chester?

A. Yes, sir.

Q. Did you know that he was to be paid for the cost of construction in the securities of the water company?

A. Yes, sir.

Q. Haven't you said in your examination-in-chief that you knew that he was getting bonds from these water companies, which he had hypothecated?

A. Yes, sir.

Q. When did you acquire that information?

A. At various times during the term of years that I have known him.

Q. You knew that his habit was to construct water plants for water companies, and to take pay for them in the securities of the companies?

A. Yes, sir.

Q. And that he raised the moneys for the construction of the plants by hypothecating these securities?

A. Yes, sir.

Q. And you supposed that that was the course to be pursued at Chester, did you not?

A. Yes, sir; I supposed it was.

Q. Did you know then that Hopper & Co. had been advancing moneys on these securities?

A. Yes; on some of them; I was told by him that they had been advancing money.

Q. You say you saw Mr. Lockman when you were at Chester in charge of these engines. Do you mean by that any more than that he was there running the engines as an engineer?

A. Yes; I mean that he was in charge of the engines by direction of the Holly Manufacturing Company.

Q. But he was there to all appearances as an engineer running those engines, was he not?

A. Yes, sir.

Q. A stranger would not have known that he was more than an ordinary engineer running the engines, would he?

A. I don't know as to that.

Q. Was there anything in connection with those engines, so far as a stranger was concerned, different from his being an engineer, running pumping machines?

A. I don't know that there was.

Q. And that is what you mean by his being in charge there by direction of the Holly Manufacturing Company—he was about there running those engines, and having charge of them?

A. I mean just what I have stated. By direction of the Holly Manufacturing Company he was sent there to erect the engines and put them in place, and he was afterwards instructed to remain there in charge of them and hold possession of them.

Q. He had not possession of the building in which they were?

A. No, sir; we didn't ask him to take possession of the building, but just the engines and machinery which we had furnished.

Q. He couldn't physically take possession of those engines when he didn't have possession of the building, could he?

A. He had possession of them all the while—from the beginning—and he retained possession of them.

Q. The only possession was that he was in that building running those engines, was it not? If there was any other possession please state what it was.

A. He was sent there by the Holly Manufacturing Company, and was put in charge of the machinery before it was erected, and continued in charge of it and in possession of it, as the servant of the Holly Manufacturing Company, from the time that he was placed in charge—from the time, for instance, that Mr. Elliott left there.

Q. When you say that he was placed in possession of it

can you say more than that he was there running and taking care of those machines?

A. Yes; I can say that he was in full possession of them—of the property of the Holly Manufacturing Company.

Q. Who had possession of the building and of the ground on which that property stood?

A. I don't know.

Q. It belonged to the Chester Water Company, did it not?

A. I suppose so.

Q. Weren't the superintendent and the other officers of the Chester Water Company in possession of that building?

A. I don't know for a fact that they were.

Q. Did the engineer keep the keys of that building?

A. No, sir; Mr. Lockman had a key.

Q. He had a key; but the superintendent of the water company had possession of the building, hadn't he?

A. I don't know that. I didn't see the superintendent of the water company while I was there—that I can now remember.

Q. Can you recollect how many times you were at Mr. Hopper's office about this matter?

A. Altogether four times, I think. Once I went there and didn't find this gentleman in.

Q. What have you to fix the date of those visits?

A. My memory and memorandums.

Q. What are your memorandums made from?

A. From a copy-book.

Q. Have you that copy-book here?

A. No, sir.

Q. What is there in that copy-book by which you fix your memory as to those dates?

A. Letters written to the Holly Manufacturing Company at Lockport.

Q. How would letters written to the Holly Manufacturing Company at Lockport fix a visit that you made to William G. Hopper & Co.?

A. Because the letter was written soon after I had made the visit.

Q. What was there in the writing of that letter to fix the time—what was there to associate the writing of that letter with the visit to Hopper & Co.?

A. The letter would state that I was in Philadelphia on perhaps a certain day, or recently, and that I had had an interview with Mr. Hopper regarding the Bullock affairs.

Q. That letter would state that?

A. Yes, sir.

Q. Have you copies of those letters?

A. Yes, sir.

Q. How many letters would there be?

A. I don't know.

(Mr. Hannis calls for production of letter-press copies upon which witness refreshed his memory, and asks witness to have same present at the next meeting.)

Q. How many letters were there of that kind that were written?

A. There may not have been more than one. Not more than two or three; perhaps one only.

Q. Please state when the first time was that you called at Hopper & Co.'s, without regard to your memoranda. Have you no memory at all outside of this memoranda?

A. It was about the latter part of January, 1888.

Q. Was any person with you at all?

A. No, sir.

Q. When was the next time you called there?

A. The next time was perhaps two or three weeks afterwards.

Q. Did you go alone then?

A. Yes, sir.

Q. What have you to fix your recollection of that interview?

A. Because I was in Philadelphia on other business from time to time, and in passing the office of Hopper & Co. I stepped in, and a gentleman whom I had seen before told me that he wasn't in, and I went away.

Q. Then at that second interview Mr. Hopper was not in?

A. I think not. I had no interview with him.

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A. The letter would state that I was in Philadelphia on perhaps a certain day, or recently, and that I had had an interview with Mr. Hopper regarding the Bullock affairs.

Q. That letter would state that?

A. Yes, sir.

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A. Yes, sir.

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A. Because I was in Philadelphia on other business from time to time, and in passing the office of Hopper & Co. I stepped in, and a gentleman whom I had seen before told me that he wasn't in, and I went away.

Q. Then at that second interview Mr. Hopper was not in?

A. I think not. I had no interview with him.

Q. That is, at the second call Mr. Hopper was not in?

A. No, sir.

Q. When was the third call made?

A. The third call was made in August—the latter part of July or the fore part of August.

Q. Were you alone on that occasion?

A. No, sir.

Q. Who was with you?

A. Mr. Bowen.

Q. Who did you see on that occasion?

A. I saw Mr. Hopper, the same gentleman that I saw before.

Q. Was anybody else with him at that interview?

A. I don't recollect that there was; I think not during the entire interview.

Q. When and where did the next interview occur?

A. At the same place, a few days afterwards.

Q. Who was with you then?

A. Mr. Bowen.

Q. Was there any person with Mr. H. S. Hopper?

A. I think not.

By Mr. Dale:

Q. The paper which has been produced, dated March 27th, 1888, was not sent by the Holly Company to Samuel R. Bullock & Co. for some days afterwards, was it?

A. No, sir; it was not.

Q. It appears from the copy produced that it was sent to Mr. Bullock April 13th, 1888.

A. Yes, sir.

Q. When Mr. Bullock made this payment on March 27th was there any receipt drawn by him given to your company which he desired the company to sign?

A. No, sir.

Q. Was there any statement by Mr. Bullock made as to what account he desired the payment to apply to?

A. Yes, sir.

Q. What did he say?

A. He desired to have it apply as the last payment of the first Mobile engine.

Q. Did you accede to that proposition then?

A. It was a telegram. We replied by telegram.

Q. To what effect?

A. That it would be so applied.

Q. Have you still that telegraphic correspondence, or copies of it?

A. Yes; I presume it is on file.

(Mr. Dale calls for production of same.)

Re-direct examination.

By MR. ASHHURST:

Q. Mr. Hannis has asked you on the subject of your knowledge of the companies. Can you say what you understood from Mr. Bullock, if anything, about his control or ownership of these water companies at Chester?

(Objected to as not re-examination, and also objected to as irrelevant.)

A. He said that he owned, in all cases, or controlled the greater portion of the stock of the companies.

Q. Did he say whether or not that would affect his relations with and position towards those companies, and, if so, how?

A. It would give him control of them.

Adjourned, to meet on call.

THURSDAY, November 7th, 1889, 3 P. M.

Present—The Examiner, and Messrs. Ashhurst, Dale, and Hannis of counsel.

In answer to Mr. Ashhurst's call, Mr. Dale produces:—

Agreement between South Chester Water Company and New Chester Water Company, dated March 21st, 1887.

Application for incorporation of Penn Water Company.

Application for incorporation of Upland Water Company.

Application for incorporation of South Chester Water Company.

Unexecuted copy of mortgage between South Chester Water Company and Farmers' Loan and Trust Company.

Agreement between South Chester Water Company and New Chester Water Company, dated August , 1888.

Copy of trust deed of New Chester Water Company to Farmers' Loan and Trust Company.

Agreement dated January , 1888, between South Chester Water Company and Farmers' Loan and Trust Company.

Agreement dated January , 1888, between New Chester Water Company and Farmers' Loan and Trust Company.

Envelope marked "New Chester Water Company, copies of papers sent to city and to W. W. W."

Envelope marked "Chester—Statement South Ward Water Company for year ending 1886."

Paper marked "Copy application for incorporation of Upland Water Company."

Paper marked "Copy application for incorporation of South Chester Water Company."

Paper marked "Copy application for incorporation of Penn Water Company."

Envelope marked "Application for incorporation of New Chester Water Company."

Envelope containing papers as follows :—

Copy bond Samuel R. Bullock, Samuel A. Dyer, J. Frank Black, and the New Chester Water Company.

Paper marked "Copy assignment of South Ward Water Board to Samuel R. Bullock and W. S. Mercer."

Paper marked "Copy agreement of South Ward Water Board and incorporators thereof, and the New Chester Water Company, relative to disposition of deposit in the Chester National Bank."

Paper marked "Copy supplemental agreement between South Ward Water Board and incorporators thereof and New Chester Water Company."

Paper marked "Deed and release Henry Palmer and wife to Samuel R. Bullock."

Envelope containing papers marked "Charges and specifications made against Malcolm Peters, contractor, by the New Chester Water Company."

Envelope containing papers marked "George H. Christian, Jr., to the New Chester Water Company, original general release."

Envelope containing paper marked "Copy resolution Executive Committee New Chester Water Company, as to contract with Malcolm Peters." Signed by Forwood, Dutton, and Miller; dated October 15th, 1885.

Envelope containing papers marked "New Chester Water Company's receipt." Signed W. H. Miller, secretary, for $5000, given to Malcolm Peters—original.

Envelope containing paper marked "Original Agreement between Malcolm Peters and New Chester Water Company." Dated October 17th, 1885. Duplicate of same.

Envelope containing paper marked "Original Agreement between Malcolm Peters and Joseph S. De Silver, trustee for the promoters of New Chester Water Company," dated October 17th, 1885, and duplicate.

Envelope containing paper marked "Original Agreement between Malcolm Peters and J. L. Forwood, John Dutton, Joseph S. De Silver, and W. H. Miller." Dated October 17th, 1885; indorsed "Malcolm Peters by his attorney Charles E. Hubbard."

Envelope containing paper marked "Malcolm Peters, by his attorney C. E. Hubbard, to the New Chester Water Company, and original proposition for the settlement of Peters' claims."

Envelope containing papers marked "Malcolm Peters to New Chester Water Company and others, general release."

Envelope containing paper marked "Malcolm Peters to Charles E. Hubbard, copy of the power of attorney and agreement."

Envelope containing paper marked "Original agreement between Malcolm Peters and the New Chester Water Company." Dated October 17th, 1885, for construction of said company's works, canceled at the foot by Charles M. Berrian,

as attorney for the New Chester Water Company. Duplicate of same.

Also, tripartite contract between South Ward Water Board, City of Chester, and New Chester Water Company, dated May 31st, 1887.

Envelope containing papers marked "Penn Water Company stock certificates."

Envelope containing paper marked "The South Chester Water Company stock certificates."

Paper marked "Form of Bond New Chester Water Company."

Paper marked "Form of Bond South Chester Water Company."

Agreement dated December 9th, 1886, between the New Chester Water Company, the Penn Water Company, Upland Water Company, the South Chester Water Company, of the one part; Forwood, Dutton, De Silver, and Miller, of the second part; and Bullock and Mercer, of the third part.

Envelope containing resignation of J. L. Forwood as president of the South Chester, Upland, Penn, and New Chester Water Companies; resignation of John Dutton as superintendent of the New Chester Water Company.

Envelope containing paper marked "Resignation of De Silver as treasurer of the Penn Water Company, Upland Water Company, and South Chester Water Company."

Resignation of W. H. Miller as secretary of South Chester, Upland, Penn, and New Chester Water Companies; also as treasurer of the same.

Envelope containing paper marked "Resignation of Dutton, Forwood, and Miller as directors of the Penn, South Chester, and Upland Water Companies."

Envelope containing paper marked "Resignation of Miller, Dutton, and Forwood as executive committee of the New Chester Water Company."

Envelope containing paper marked "Resignation of Buck, De Silver, Dutton, Forwood, and Miller as directors of the New Chester Water Company."

Copy of the proceedings and notice of increase of the capital of the New Chester Water Company, May, 1885.

Two unexecuted and canceled bonds of the South Chester, and one of the New Chester Water Company.

Envelope containing papers marked "Upland Water Company stock certificates."

Envelope containing paper marked "Penn Water Company to the South Chester Water Company, Upland Water Company to the same; original agreement of sale."

Envelope containing papers marked "Notices of publication New Chester Water Company."

Envelope containing paper marked "Assignment of shares from Miller, De Silver, Dutton, and Forwood."

Envelope containing papers marked "Letters patent of the South Chester Water Company."

Envelope containing paper marked "Letters patent of the Upland Water Company."

Envelope containing paper marked "Letters patent of the Penn Water Company."

Envelope containing paper marked "Letters patent of the New Chester Water Company."

Paper marked "Statement C," annual revenue and expenses estimate for 1887, South Ward Water Works.

Paper marked "Statement A," showing receipts and expenditures of South Ward Water Works.

Envelope marked "Statement B," resources and liabilities of South Ward Water Works, March, 1887.

Deed from Aaron Palmer and Thomas Palmer to Samuel R. Bullock.

Deed from Samuel R. Bullock and wife to the New Chester Water Company; dated August 29th, 1887; recorded in Deed-book H, No. 6, page 548.

Deed from David M. Johnson *et al.*, to Samuel R. Bullock; recorded in Deed-book I, No. 6, page 450.

Envelope containing paper marked "Declaration of Trust, H. S. Hopper to Samuel R. Bullock."

Envelope containing papers marked "Tax receipts South Chester Water Company."

Envelope containing papers marked "Tax receipts New Chester Water Company."

Envelope containing papers marked "Tax receipts Penn Water Company."

Envelope containing papers marked "Tax receipts Upland Water Company."

Return of the South Chester Water Company to the Auditor-General as to organization.

Envelope containing paper marked "New Chester Water Company." Being letter to R. D. Wood & Co. from Samuel R. Bullock & Co., dated December 10th, 1888.

Notice of publication of the New Chester Water Company.

Envelope containing paper marked "Order of New Chester Water Company to South Ward Water Board for conveyance of all property to Samuel R. Bullock & Co. Order to Chester National Bank to receipt and collect all water-rent due July 1st, 1887."

Envelope containing paper marked "Abstract of bill of sale, South Ward Water Board to Samuel R. Bullock."

Copy of resolution South Ward Water Board.

W. Ward's letter of July 22d, 1887.

Envelope containing paper marked "Sundries," with no papers therein.

Envelope containing paper marked "Order of Samuel R. Bullock to W. H. Miller, $7500 with interest." Dated November 9th, 1888.

Copy of sundry resolutions of the New Chester Water Company, and affidavits.

Return of organization, to the Auditor-General, of the Upland Water Company.

Return of organization, to the Auditor-General, of the New Chester Water Company.

Return of organization, to the Auditor-General, of the Penn Water Company, and package of newspapers.

Paper marked "Construction Agreement, Samuel R. Bullock & Co. with the South Chester Water Company," dated March 21st, 1887.

Paper marked "Articles of Agreement, New Chester Water Company and Samuel R. Bullock & Co.," dated March 21st, 1887.

Report to the Water Company of W. S. Johnson, acting superintendent maintenance department, dated August 1st, 1887.

Minute-book of Upland Water Company.

Minute-book of the South Chester Water Company.

Minute-book of the Penn Water Company.

Sundry books containing no specific marks, but apparently memoranda of results of examination as to what places would take water.

Mr. Dale states that these are all the papers which careful search has produced through the box in which he is informed all the papers held by R. D. Wood & Co., relating to the Chester Water Works, were placed.

MR. HANNIS (in reply to calls heretofore made by Mr. Ashhurst): William G. Hopper & Co. were called on to produce agreement of Samuel R. Bullock & Co., dated in the early part of 1887. We have no such written agreement, and no recollection that there was any written agreement at that time.

We were also called on to produce an agreement with Mr. Samuel R. Bullock & Co., dated in June, 1887. We did have such an agreement, and had it here at one of the former meetings, but it is now mislaid. I think the paper which Mr. Ashhurst has produced is a copy of it, but will make further search for it.

We have also been called on to produce statement of expenditures to September 1st, 1887, New Chester Water Company, said to have been furnished to W. G. Hopper & Co. by Messrs. Bullock & Co., and a like statement to September 1st, 1887, of expenditures at Mobile. We have not such statements, and have no recollection of ever having had them or of having seen them.

We produce on call statements furnished to us, showing amount necessary to complete plant at Chester. Also, amount necessary to complete plant at Mobile. Also a statement showing cost of completed works at Chester and Mobile. These, with the agreement of June, 1887, which has been mislaid, are the only papers that we have to produce in answer to calls.

Mr. Ashhurst offers in evidence three papers produced by Mr. Hannis, marked "Exhibits A15, 16, and 17, November 7th, 1889, E. Z. B."

(Objected to as irrelevant by Mr. Hannis.)

Adjourned to Thursday, November 14th, 1889, 3 P. M.

PHILADELPHIA, November 14th, 1889.

Parties met on this day at 3 o'clock P. M., in the office of Richard L. Ashhurst, Esq., No. 225 South Sixth Street.

Present—Messrs. Ashhurst, Little, Hannis, and Dale of counsel.

MR. HANNIS:—I produce agreement of May 16th, 1887, between Samuel R. Bullock & Co. and William G. Hopper & Co.

Also agreement dated June 13th, 1887, between the same parties.

These are the papers that at the last meeting were supposed to have been mislaid.

(The papers just produced by Mr. Hannis, offered in evidence by Mr. Ashhurst, and marked "Nov. 14th, 1889, P. R. B. 1," and "Nov. 14th, 1889, P. R. B. 2."

MR. ASHHURST:—I have availed myself of the privilege kindly given me by Mr. Dale of going over the papers produced by him under call at the last meeting, and now, taking them up in the order of their production, I offer in evidence the agreement produced by Mr. Dale between the South Chester Water Company and the New Chester Water Company, dated March 21st, 1887.

The paper referred to is marked "Nov. 14th, 1889, P. R. B. 3."

MR. ASHHURST:—The next three papers produced by Mr. Dale, being applications for the incorporation of the Penn, the Upland, and the South Chester Water Companies respectively, are already in evidence as Exhibits A, B, and C.

The next paper, a copy of mortgage between the South Chester Water Company and the Farmers' Loan and Trust Company, is already offered in evidence as Exhibit V.

The next paper is an agreement between the South Chester Water Company and the New Chester Water Company, dated the blank day of August, 1888. This appears to be a duplicate of the agreement made on the 21st of March, 1887, with a new date altered in lead-pencil and certain other alterations made in lead-pencil. The paper referred to is marked "Nov. 14th, P. R. B. 4," the printing of the same being waived.

The next paper produced by Mr. Dale is a copy of trust deed of the New Chester Water Company to the Farmers' Loan and Trust Company. This is already in evidence as Exhibit U.

Next follows an agreement made the blank day of January, 1888, between the South Chester Water Company and the Farmers' Loan and Trust Company, which does not appear to be executed. I offer it in evidence.

Said paper offered in evidence, is marked "Nov. 14th, 1889, P. R. B. 5."

Next follows an agreement, also dated January, 1888, between the New Chester Water Company and the Farmers' Loan and Trust Company, also unexecuted. Offered in evidence and marked "Nov. 14th, 1889, P. R. B. 6."

Passing by papers which I do not deem material, I come to a copy of bond, Samuel R. Bullock, Samuel A. Dyer, and J. Frank Black to the New Chester Water Company, which I offer in evidence.

The paper offered in evidence is marked "Nov. 14th, 1889, P. R. B., 7."

Next follows paper marked "Copy of Assignment of South Ward Water Board to Samuel R. Bullock and William S. Mercer." A copy of this paper has already been offered in evidence as Exhibit Z, but for greater certitude I offer it.

The paper referred to is marked "Nov. 14, 1889, P. R. B. 8," the printing of the same being waived.

Next follows a paper marked "Copy of Agreement of the South Ward Water Board and the Incorporators thereof, and

the New Chester Water Company, relative to disposition of deposit in the Chester National Bank," which I offer in evidence.

The paper referred to is marked "Nov. 14th, 1889, P. R. B. 9."

Inclosed in that paper, not mentioned by Mr. Dale in his answer, is a copy of certificate of deposit in the Chester National Bank for $281,350, which I offer in evidence.

The paper referred to is marked "Nov. 14th, 1889, P. R. B. 9½."

The next is a paper marked "Copy of Supplemental Agreement between the South Ward Water Company and the Incorporators thereof, and the New Chester Water Company." A copy of this paper has already been offered in evidence as Exhibit X, but in confirmation of the same I offer the paper now produced, which is marked "Nov. 14th, 1889, P. R. B. 10," the printing of the same being waived.

Next follows paper deed and release, Henry Palmer and wife to Samuel R. Bullock, which I offer in evidence.

The paper referred to is marked "Nov. 14, 89, P. R. B. 11."

The next, being tripartite contract between South Ward Water Board, city of Chester, and the New Chester Water Company, dated May 31st, 1887, is already in evidence as Exhibit W, but I re-offer the paper now produced in confirmation, the printing of the same being waived.

The next is envelope containing papers marked "Penn Water Company stock" certificates. These consist of six certificates, numbered from 1 to 6, for two shares each, canceled, and subsequently what appears to be in the nature of a certificate-book, with margins as well as certificates, numbered from 7 to 12 respectively, of which the first, No. 7, is for five shares to Samuel R. Bullock & Co., and the remaining certificates, for one share each, to Messrs. Berrian, Morrison, Fuller, Forwood, and Miller, respectively. Following these are two certificates completely executed by the officers of the company, except that the seal does not appear to be affixed, which are for an amount left blank, and are also without a date. They are also signed by the officers of the company. I offer these, the printing being waived.

The envelope containing the above papers is marked "Nov. 14th, 1889, P. R. B. 12."

Next is envelope containing stock certificates of the Upland Water Company. These include six certificates for two shares each, marked "canceled;" power of attorney, William B. Buck Bros., two shares in blank, and what appears to be stock-certificate book, or pages cut from such a book, containing margin as well as certificates of stock; these certificates remaining attached to the margin, as follows: No. 7, five shares to Samuel R. Bullock & Co., dated February 17th, 1887; No. 8, one share to Chas. M. Berrian, of like date; No. 9, one share to Ellis Morrison, of like date; No. 10, one share to E. F. Fuller, of like date; No. 11, Dr. J. L. Forwood, of like date; No. 12, one share W. H. Miller, of the same date, followed by two certificates, executed by the president and secretary, but not filled up or dated, and without the corporate seal. I offer these.

The envelope containing the above papers is marked "Nov. 14th, 1889, P. R. B. 13."

Next is envelope containing papers marked "South Chester Water Company Stock Certificates." These consist, first, of six certificates, numbered from 1 to 6, for two shares each, in favor of Dr. J. L. Forwood, John Dutton, Joseph F. De Silver, Wm. B. Buck, and William H. Miller, respectively. Also a stock power, executed by William B. Buck, for two shares, and what appears to be intended for a stock-certificate book, or the leaves taken out of such a stock-certificate book, consisting of the margins and certificate attached together, being as follows:—

No. 7, for five shares for Samuel R. Bullock & Co., dated February 17th, 1887; No. 8, for one share issued to Charles M. Berrian, of same date; No. 9, for one share issued to Ellis Morrison, of same date; No. 10, for one share to E. F. Fuller, of same date; No. 11, one share J. L. Forwood, of same date; and No. 12, for one share to W. H. Miller, of same date, followed by two certificates, No. 12 and No. 13, signed by the president and secretary, but without seal, and with the amount and dates blank.

The envelope containing the above papers is marked, "Nov. 14th, 1889, P. R. B. 14."

Certain of the margins bear the receipt of the stockholder as having received his certificate, but these certificates are equally undetached from the margins. The certificates of the stock of all the companies seem to have been made from the same plate or book with the names of the respective companies written in.

Passing over some papers I do not deem material, I come to an agreement dated December 9th, 1886, between the New Chester Water Company, the Penn Water Company, the Upland Water Company, and the South Chester Water Company, of the one part; Messrs. Forwood, Dutton, De Silver, and Miller, of the second part; and Bullock & Mercer, of the third part. This is already in evidence as Exhibit F, of September 28th, 1889, so that it is now only necessary to make reference to it.

Next is envelope containing resignation of J. L. Forwood as president of the South Chester, Upland, Penn, and New Chester Water Companies. These resignations, all without date, I offer in evidence. I suggest that his resignation as president of the South Chester Water Company be printed, with the note that the others are like it in all respects.

The envelope referred to, marked "Nov. 14, 1889, P. R. B. 15," contains the following:—

CHESTER, PENNA.

The South Chester Water Co., Chester, Pa.

GENTLEMEN:—I hereby tender my resignation as President of your Company.

Very truly yours,
J. L. FORWOOD.

Next is the envelope containing the resignation of John Dutton as superintendent of the New Chester Water Company. This instrument, also without date, I offer in evidence.

The paper referred to, contained in envelope marked "Nov. 14, 1889, P. R. B. 16," is as follows:—

CHESTER, PENNA.

The New Chester Water Company, Chester, Penna.

GENTLEMEN:—I hereby respectfully tender my resignation as Superintendent of your Company.

JOHN DUTTON.

Next is envelope marked "Resignation of Joseph T. De Silver as Treasurer of the Penn Water Company, the Upland Water Company, and the South Chester Water Company." The three papers contained in this envelope I offer in evidence. They are also without date.

The papers contained in the envelope referred to, marked "Nov. 14, 1889, P. R. B. 17," are similar in form, the one selected for printing being as follows:—

CHESTER, PA.

The Penn Water Company, Chester, Pa.

GENTLEMEN:—I hereby tender my resignation as Treasurer of your Company.

Very Truly,

JOSEPH T. DE SILVER.

The next is envelope containing resignation of W. H. Miller as secretary of the South Chester, Upland, Penn, and New Chester Water Companies; also as treasurer of the New Chester Water Company. These five papers are all without date. I offer them in evidence.

The five papers contained in envelope referred to, marked "Nov. 14, 1889, P. R. B. 18," are similar in form, the one selected for printing being as follows:—

CHESTER, PENNA.

The New Chester Water Company, Chester, Penna.

GENTLEMEN:—I hereby respectfully tender my resignation as Treasurer of your Company.

Very Truly,

W. H. MILLER.

Next follows envelope marked "Resignation of John Dutton, J. L. Forwood, and W. H. Miller as directors of The Penn, South Chester, and Upland Water Companies." The three papers contained in this envelope, which is marked "Nov. 14, 1889, P. R. B. 19," all without date, and signed by the three gentlemen named, I offer in evidence, the one directed to the South Chester Water Company, which is printed as a sample, being as follows:—

CHESTER, PENNA.

The South Chester Water Company, Chester, Penna.

GENTLEMEN:—We the undersigned Directors of your Company hereby tender our resignations to take effect this date.

Very Truly Yours,

JOHN DUTTON,
J. L. FORWOOD,
W. H. MILLER.

Next is envelope marked resignation of W. H. Miller, John Dutton, and J. L. Forwood as Executive Committee of the New Chester Water Company. This paper, contained in envelope referred to marked "Nov. 14, 1889, P. R. B. 20," also without date, which I offer in evidence, is as follows:—

CHESTER, PENNA.

The New Chester Water Company, Chester, Penna.

GENTLEMEN:—We the undersigned Executive Committee of your Company respectfully tender our resignations to take effect as of this date.

Very truly yours,

W. H. MILLER,
JOHN DUTTON,
J. L. FORWOOD.

Next is envelope marked "Resignation of Tycho Buck, Joseph T. De Silver, John Dutton, J. L. Forwood and W. H. Miller as Directors of the New Chester Water Co." This

paper marked "Nov. 14, 1889, P. R. B. 21," which is also without date, I offer in evidence. It is as follows:—

CHESTER, PENNA.

The New Chester Water Company, Chester, Penna.

GENTLEMEN:—We the undersigned Directors of your Company, hereby respectfully tender our resignations to take effect this date.

Very Truly yours,

TYCHO BUCK,
JOSEPH T. DE SILVER,
JOHN DUTTON,
J. L. FORWOOD,
W. H. MILLER.

I also offer in evidence the envelopes above referred to, containing the stock certificates and resignations respectively.

The last envelope contains, also, some rough minutes of meetings of the New Chester Water Company, which I do not care to offer in evidence, and now return to Mr. Dale.

The next paper is a copy of proceedings and notices of the increase of the capital of the New Chester Water Company, of May 18th. This is already in evidence as Exhibit A11.

Then follows envelope containing paper marked "Penn Water Company, South Chester Water Company, Upland Water Company, Original agreement of sale." The papers contained in this envelope are already in evidence as Exhibits S and T, but I re-offer these copies for greater certitude.

Passing by certain unimportant papers, I come to an exhibit marked "Assignment of shares of William H. Miller, Joseph T. De Silver, John Dutton, and Dr. J. L. Forwood, the "assignments in question being irrevocable stock powers, three signed by W. H. Miller, all dated the 18th of November, 1886, and transferred in blank; four shares of the capital stock of the Penn Water Company, the South Chester Water Company and the Upland Water Companies respectively; three signed by J. L. Forwood and transferred in blank; two shares of the

stock of the South Chester and the Upland Water Companies respectively, also dated the 18th of November, 1886; three signed by John Dutton, transferred in blank; two shares of the Penn, Upland, and South Chester Water Companies respectively, under the same date, and three signed by Joseph T. De Silver, transferred in blank, two shares of the stock of the Penn, Upland, and South Chester Water Companies, likewise of the same of 18th November, 1886.

These transfers contained in envelope marked "Nov. 14, 1889, P. R. B. 22," I offer in evidence.

Passing by some papers not deemed material, I come to paper marked "Statement A, showing receipts and expenditures of the South Ward Water Works," which I offer in evidence.

The paper referred to is marked "Nov. 14, 1889, P. R. B. 23."

Next is paper marked "Statement B, Resources and Liabilities of South Ward Water Works," which I also offer in evidence.

The paper referred to is marked "Nov. 14, 1889, P. R. B. 24."

Next is deed, Aaron Palmer and Thomas Palmer to Samuel R. Bullock, dated June 27th, 1887, which I offer in evidence, being marked "Nov. 14, 1889, P. R. B. 25," printing waived.

Next is deed, Samuel R. Bullock and wife to New Chester Water Company, dated August 29th, 1887, for the same premises, which I offer in evidence, being marked "Nov. 14th, 1889, P. R. B. 26."

Next is deed, David M. Johnson and others to Samuel R. Bullock, dated July 7th, 1887, in consideration of $53,700, recorded in Deed-book I, No. 6, page 450, &c., which I offer in evidence, being marked "Nov. 14, 1889, P. R. B. 27."

Next is declaration of trust, Henry S. Hopper to Samuel R. Bullock, dated July 29th, 1887, and recorded in Deed-book H, No. 6, page 518. A copy of this paper has already been offered in evidence, but I re-offer the original, which is marked "Nov. 14, 1889, P. R. B. 28."

Next follows an envelope marked "Left by Wm. H. Miller. Order to do., from Saml. R. Bullock. New Chester Water

Co." This order, contained in envelope marked "Nov. 14th, 1889, P. R. B. 29," I offer in evidence. This is referred to in Mr. Dale's answer as "the envelope containing paper marked 'New Chester Water Co.,' being letter to R. D. Wood & Co. from Samuel R. Bullock & Co., dated December 10, 1888."

Next is envelope containing paper marked "Order of New Chester Water Company to South Ward Water Board, for conveyance of all property to Samuel R. Bullock & Co. Also order to Chester National Bank to collect and receipt for all water-rents due up to July 1, 1887."

These papers, marked "Nov. 14, 1889, P. R. B. 30 & 30½," I offer in evidence.

Next follows envelope containing paper marked "Abstract of Bill of Sale Corporators So. Ward Water Board to Saml. R. Bullock & Co.; Copy of Resolutions So. Ward Water Board; W. Ward's letter July 22/87 to Saml. R. Bullock & Co."

These three papers, marked "Nov. 14, 1889, P. R. B. 31," I offer in evidence.

Next is envelope marked "Order of Samuel R. Bullock to William H. Miller, $7500 with interest, dated Nov. 9, 1888, accepted Dec. 11, 1888, subject to conditions, stated by R. D. W. & Co." This paper and the envelope, marked "Nov. 14, 1889, P. R. B. 32," I offer in evidence.

Paper marked "Construction Agreement, William R. Bullock & Co. to the South Chester Water Co., dated March 21, 1887," is already in evidence as Exhibit R, so that it is only necessary to refer to it as the duplicate.

Next is paper marked "Articles of Agreement New Chester Water Company and William R. Bullock, dated March 21, 1887." Duplicate is already in evidence as Exhibit Q, September 28th.

Next is report of W. S. Johnson, acting superintendent maintenance department New Chester Water Company, August 1st, 1887, which I offer in evidence, being marked "Nov. 14, 1889, P. R. B. 33."

Next is minute-book of the Upland Water Company. This book contains also two other books, one apparently a stock-book and the other a cash-book; also certain other papers.

stock of the South Chester and the Upland Water Companies respectively, also dated the 18th of November, 1886; three signed by John Dutton, transferred in blank; two shares of the Penn, Upland, and South Chester Water Companies respectively, under the same date, and three signed by Joseph T. De Silver, transferred in blank, two shares of the stock of the Penn, Upland, and South Chester Water Companies, likewise of the same of 18th November, 1886.

These transfers contained in envelope marked "Nov. 14, 1889, P. R. B. 22," I offer in evidence.

Passing by some papers not deemed material, I come to paper marked "Statement A, showing receipts and expenditures of the South Ward Water Works," which I offer in evidence.

The paper referred to is marked "Nov. 14, 1889, P. R. B. 23."

Next is paper marked "Statement B, Resources and Liabilities of South Ward Water Works," which I also offer in evidence.

The paper referred to is marked "Nov. 14, 1889, P. R. B. 24."

Next is deed, Aaron Palmer and Thomas Palmer to Samuel R. Bullock, dated June 27th, 1887, which I offer in evidence, being marked "Nov. 14, 1889, P. R. B. 25," printing waived.

Next is deed, Samuel R. Bullock and wife to New Chester Water Company, dated August 29th, 1887, for the same premises, which I offer in evidence, being marked "Nov. 14th, 1889, P. R. B. 26."

Next is deed, David M. Johnson and others to Samuel R. Bullock, dated July 7th, 1887, in consideration of $53,700, recorded in Deed-book I, No. 6, page 450, &c., which I offer in evidence, being marked "Nov. 14, 1889, P. R. B. 27."

Next is declaration of trust, Henry S. Hopper to Samuel R. Bullock, dated July 29th, 1887, and recorded in Deed-book H, No. 6, page 518. A copy of this paper has already been offered in evidence, but I re-offer the original, which is marked "Nov. 14, 1889, P. R. B. 28."

Next follows an envelope marked "Left by Wm. H. Miller. Order to do., from Saml. R. Bullock. New Chester Water

Co." This order, contained in envelope marked "Nov. 14th, 1889, P. R. B. 29," I offer in evidence. This is referred to in Mr. Dale's answer as "the envelope containing paper marked 'New Chester Water Co.,' being letter to R. D. Wood & Co. from Samuel R. Bullock & Co., dated December 10, 1888."

Next is envelope containing paper marked "Order of New Chester Water Company to South Ward Water Board, for conveyance of all property to Samuel R. Bullock & Co. Also order to Chester National Bank to collect and receipt for all water-rents due up to July 1, 1887."

These papers, marked "Nov. 14, 1889, P. R. B. 30 & 30½," I offer in evidence.

Next follows envelope containing paper marked "Abstract of Bill of Sale Corporators So. Ward Water Board to Saml. R. Bullock & Co.; Copy of Resolutions So. Ward Water Board; W. Ward's letter July 22/87 to Saml. R. Bullock & Co."

These three papers, marked "Nov. 14, 1889, P. R. B. 31," I offer in evidence.

Next is envelope marked "Order of Samuel R. Bullock to William H. Miller, $7500 with interest, dated Nov. 9, 1888, accepted Dec. 11, 1888, subject to conditions, stated by R. D. W. & Co." This paper and the envelope, marked "Nov. 14, 1889, P. R. B. 32," I offer in evidence.

Paper marked "Construction Agreement, William R. Bullock & Co. to the South Chester Water Co., dated March 21, 1887," is already in evidence as Exhibit R, so that it is only necessary to refer to it as the duplicate.

Next is paper marked "Articles of Agreement New Chester Water Company and William R. Bullock, dated March 21, 1887." Duplicate is already in evidence as Exhibit Q, September 28th.

Next is report of W. S. Johnson, acting superintendent maintenance department New Chester Water Company, August 1st, 1887, which I offer in evidence, being marked "Nov. 14, 1889, P. R. B. 33."

Next is minute-book of the Upland Water Company. This book contains also two other books, one apparently a stock-book and the other a cash-book; also certain other papers.

The three books I offer in evidence, marked respectively "Nov. 14, 1889, P. R. B. 34, 35, and 36."

Next is minute-book of the South Chester Water Company, which book has folded in it two other books, one seemingly a cash-book and the other a stock-book. The three books I refer to I offer in evidence, marked respectively "Nov. 14, 1889, P. R. B. 37, 38, and 39."

Next is minute-book of the Penn Water Company, which likewise contains two other books, apparently cash-book and stock-book. These books I also offer in evidence, being marked respectively "Nov. 14, 1889, P. R. B. 40, 41, and 42."

MR. HANNIS:—On behalf of Hopper & Co. and Bucknell, I object to all the foregoing offers as irrelevant to the issue in this case, which issue is whether or not the plaintiff has a lien on property covered by the mortgage of the New Chester Water Company.

MR. DALE:—On behalf of R. D. Wood & Co. I object to the evidence offered as irrelevant.

Adjourned until Friday, November 15th, 1889, at 3 P. M.

The Holly Company

vs.

The New Chester Water Company.

FRIDAY, November 15th, 1889, 3 P. M.

Present—The Examiner, and Messrs. Bowen, Ashhurst, Dale, and Hannis, of counsel.

SAMUEL R. BULLOCK, heretofore sworn, was recalled, and further examined as follows:—

By MR. ASHHURST:

Q. (Letter dated June 2d, 1888, from Samuel R. Bullock to Charles G. Hildreth, shown witness.) Do you recall that letter?

A. I remember writing it; yes, sir.

Q. (Paper shown witness.) Can you state whether or not that was the paper that was inclosed in that letter?

A. Yes; I think that was the paper referred to.

Q. (Letter-book shown witness.) Please look at your letter-book No. 2, page 321, under date May 12th, 1888, addressed to R. D. Wood & Co., and state whether you remember that letter.

A. Yes; I dictated it.

(Mr. Ashhurst calls upon Mr. Dale for the production of letter Samuel R. Bullock to R. D. Wood & Co., dated May 12th, 1888.)

Q. Please look at the paper now shown you, and state whether that is the paper inclosed in the letter of which you have just read a copy in your book.

A. Yes, sir; that appears to be a copy of the document that I inclosed in that letter. That is my recollection of it.

Q. Please turn to your letter-book No. 2, page 351, and look at letter dated June 2d, 1888. Do you remember that letter?

A. That is a copy of the letter which probably was sent at that time.

(Mr. Ashhurst calls upon Mr. Dale for the production of original of said letter from Samuel R. Bullock & Co. to R. D. Wood & Co., dated June 2d, 1888.)

Q. Please state the history of the matter of this paper.

(Mr. Dale desires to note an objection to this question, in so far as it inquires concerning matters between the witness and the plaintiff. The witness and the plaintiff being copartners, transactions between them are immaterial so far as they may affect the rights of the defendants.

Mr. Hannis joins in the above objection.)

THE WITNESS:—The Holly Manufacturing Company being desirous of getting some assumption of indebtedness on the part of the New Chester Water Company, as to the payment of the balance due on pumps at the Chester Water Works, presented me a paper in duplicate of that which has already been offered here, and asked me to have it executed by the officers of the New Chester Water Company. As Messrs.

R. D. Wood & Co. and myself at that time were confidentially related, I forwarded the paper to them first, receiving in reply a duplicate of the other paper which has been offered here, with the suggestion that that paper would probably not be objectionable to them. They offered the other paper in lieu of the one which I sent them.

(Mr. Dale objects to the answer, in so far as the witness has undertaken to express the contents of any letter which he received.)

Q. How did you receive the second paper from them?

A. I don't remember whether that came by mail, or whether it was handed to me. It might have been handed to me. I was frequently in Philadelphia about that time That paper which is here was probably a copy made by myself.

Q. Do you remember whether or not you showed the paper, handed to you by the Holly Company, to any one else than Messrs. R. D. Wood & Co.?

A. I think not.

Q. Do you remember, as a matter of fact, whether or not you showed it to any officer of the Chester Water Company?

A. It might have been shown to the attorney at Chester, but certainly not to any officer of the company.

Q. You don't remember whether it was, or not, shown to Mr. Ward?

A. I don't remember about that.

Q. Do you know by whom the paper sent you by the Messrs. Wood was drawn?

A. I have been told by whom it was drawn.

Q. If you were told by Mr. Wood, please state it.

A. I have been told by Mr. Wood that it was prepared by Mr. Dale.

(Mr. Ashhurst offers in evidence the above-referred-to five papers, which are marked by the Examiner, respectively, "Exhibits A, B, C, D, and E, November 15th, 1889. E. Z. B."

Mr. Dale objects to the letter from Samuel R. Bullock to Charles G. Hildreth, marked "Exhibit A," upon the ground that it is part of a correspondence between one plaintiff and

the secretary of a co-plaintiff, and, therefore, not admissible in evidence against the defendants; to paper marked "Exhibit B," because, although it purports to be a contract with one of the defendant company, it is unexecuted, and is not identified as having ever been seen by any of the defendants; to letter-press copies, marked "Exhibits C and E," because they are copies, and because there is no proof that the originals, of which they purport to be copies, were ever received by the parties to whom they were addressed; to the paper marked "Exhibit D," because it is an unexecuted paper, and none of the defendants have been shown to have had any knowledge of it.

Mr. Hannis, for Hopper & Co., and for Bucknell, objects to all the letters and unsigned papers just offered in evidence as being irrelevant and not brought to the attention of his clients.)

MR. ASHHURST (to the witness):—Did you have any conversation, at or near the time of this correspondence with Mr. Wood, on the subject of this paper?

A. Undoubtedly I had; yes, sir.

Q. Do you recall anything on the subject?

(Objected to by Mr. Hannis, so far as Hopper & Co. and Bucknell are concerned.)

A. I don't know that I can recall just what passed, but we talked about the thing back and forward, and finally the decision arrived at was that, of course, there could be no such paper executed as that prepared by the Holly Company, but that, if the Holly Company would agree to the execution of a document that would satisfy Wood & Co., it might probably be executed.

Q. At that time, state whether or not you considered that there was anybody in the water company whom you were bound to consult in such a matter.

(Objected to by Mr. Hannis.)

A. There certainly would have been a consultation before the document was executed. This was a mere preliminary.

Q. Who would you have consulted of the water company?

A. First the attorney, and, subsequently, the president and

secretary. There would have been a meeting, probably, of the board of directors.

Q. (Letter-book No. 3, page 30, shown witness, containing two telegrams to Walter Wood, under date August 11th, 1888.) What have you to say as to those?

A. Those are copies of telegrams sent on that day to Mr. Wood.

(Mr. Ashhurst calls for originals of said telegrams.)

Q. (Telegram on page 28 of same book, to E. F. Fuller, Chester, Pa., shown witness.) What have you to say as to that?

A. That is a copy of the telegram sent to Mr. Fuller on that date.

Q. Mr. Fuller is the gentleman who was the chief engineer of the water company, and who has heretofore appeared as a witness here?

A. Yes; I believe he has been here.

(Mr. Ashhurst offers said three copies of telegrams in evidence, and they are marked by the Examiner, "Exhibits F, G, and H, November 15th, 1889. E. Z. B."

Objected to on behalf of Hopper & Co. and Bucknell.

Mr. Dale objects, on behalf of R. D. Wood & Co. and the water company, on the ground that the papers are copies, and there is no evidence that the originals were ever received by the parties to whom they purport to have been addressed. Also, because they are telegrams written by one of the plaintiffs after the controversy had arisen.

Mr. Ashhurst calls upon Mr. Ward for the production of the telegram to Mr. Fuller.)

MR. ASHHURST (to the witness):—What were your bills that you desired to offset against the Holly Company's claim, referred to in that telegram?

A. They agreed to set the pumps up for a certain sum of money. They were set up; and after being set up and run for a day or two some leaks were developed, which necessitated the cutting out of the floor that had been specially prepared and was not put down until the Holly Company had said everything was all right—"Go ahead and put your floor

in." We put it in, and it was subsequently discovered that some leak had occurred from a defective casting, and we had to cut the floor out in order to get at it. That bill of expense I wanted the Holly Company to allow against their original contract price.

Q. State whether or not they agreed to allow it?

A. My impression is that they did, in the amount that we afterwards agreed upon in settlement.

Q. There was a liquidation made of the amount due at that time?

A. Yes; we agreed upon an amount that was fairly due.

Q. Please look at the letter which I now hand you, and state whether you remember it.

A. That is probably the letter that I sent to the secretary of the Holly Manufacturing Company.

Q. It refers to the settlement of which you have just spoken, of August 11th?

A. Yes, sir.

(Mr. Ashhurst offers said letter in evidence, and it is marked by the Examiner, "Exhibit I, November 15th, 1889. E. Z. B."

Objected to by Mr. Dale, upon the ground that the letter is between coplaintiffs, and particularly because it is a letter between coplaintiffs written after the controversy with the defendants had arisen.)

(Mr. Hannis joins in the objection.)

By Mr. Ashhurst:

Q. Did you have any conversation with Mr. Wood at or about the time of those telegrams, on the subject-matter of the settlement of accounts between you and the Holly Company?

A. Yes, sir.

Q. Please state what it was.

(Objected to.)

A. I couldn't tell it all this afternoon or evening, I am afraid. I had a good many of them, but at the time those telegrams were sent they were sent in view of the fact that Mr. Wood and Messrs. Bowen, Hildreth, and myself had been at my office the previous evening, from about four o'clock in the afternoon

until half-past eight, and at the end of that time Mr. Wood had said to Messrs. Bowen and Hildreth, "I will settle this account for so many dollars and cents." They couldn't quite agree that it was money enough, and Mr. Wood gave them the evening to think it over, and said, "If you want to see me again you will find me at Atlantic City, Saturday night. I have got to go down there." He was operating a water company there. Those telegrams were sent in view of that fact—that they had gone to Atlantic City to meet him. I wanted to notify him that they had gone. The next morning they came into the office and said they were going.

Q. Was the amount of the Holly Company's claim discussed at those meetings?

A. Fully. At that meeting they talked the thing over at great length. They were there for certainly four hours, if not longer.

Q. Where did you say that meeting was?

A. At my office in New York.

Q. (Letter dated 11th September, 1886, W. H. Miller to Samuel R. Bullock & Co., shown witness.) Do you recognize that letter?

A. That was the letter that he sent to Samuel R. Bullock & Co.

(Said letter offered in evidence by Mr. Ashhurst, and marked "Exhibit J, November 15th, 1889. E. Z. B."

Objected to by Messrs. Dale and Hannis as incompetent and irrelevant.

Another letter, dated October 21st, 1886, signed by Miller, acting as attorney for executive committee, and addressed to Bullock & Co., shown witness, and identified by him; offered in evidence by Mr. Ashhurst, and marked by the Examiner, "Exhibit K, November 15th, 1889. E. Z. B.")

Under the same objection of Messrs. Hannis and Dale, Mr. Ashhurst also offered in evidence the following documents:—

Letter dated October 26th, 1886, Miller to Bullock & Co., marked by the Examiner, "Exhibit L, November 15th 1889 E. Z. B."

Letter dated November 8th, 1886, same to same; marked

by the Examiner, "Exhibit M, November 15th, 1889. E. Z. B."

Letter dated April 6th, 1887, same to same; marked by the Examiner, "Exhibit N, November 15th, 1889. E. Z. B."

Receipt dated July 18th, 1887, for $10,000. Signed, William H. Miller. Being receipt from Samuel R. Bullock & Co. Marked by the Examiner, "Exhibit O, November 15th, 1889. E. Z. B."

Letter dated December 21st, 1886; Miller to Bullock & Co. Marked by the Examiner, "Exhibit P, November 15th, 1889. E. Z. B."

Letter dated December 30th, 1886, same to same; marked by the Examiner, "Exhibit R, November 15th, 1889. E. Z. B."

Letter dated December 23d, 1886, same to same; marked by the Examiner, "Exhibit S, November 15th, 1889. E. Z. B."

Letter dated February 28th, 1887, same to same; marked by the Examiner, "Exhibit T, November 15th, 1889. E. Z. B."

Q. Do you remember what the stock-book was that is referred to in that letter?

A. I presume that was the stock-book of the New Chester Water Company. It might have been the South Chester. It was one or the other.

Q. In whose custody were those books—who usually kept them?

A. I think Mr. Miller had those books, and they were sent to New York for verification in regard to the amount of stock that had been torn out of them. Then they had to be returned to him. There was to be some new issue of stock made, or something of that kind, and we had examined them and checked them, and they had to go down there to be signed.

(Witness also identifies letter dated April 12th, 1887, Miller to Bullock & Co., which is offered in evidence by Mr. Ashhurst, and marked "Exhibit U, November 15th, 1889. E. Z. B."

Also letter dated May 4th, 1887, same to same; marked by the Examiner, "Exhibit V, November 15th, 1889. E. Z. B."

Also telegram dated May 4th, 1887; marked by the Examiner, "Exhibit W, November 15th, 1889. E. Z. B."

Also telegram dated April 26th, 1887; marked by the Examiner, "Exhibit X, November 15th, 1889. E. Z. B."

Also letter dated April 28th, 1887, Miller to Bullock & Co.; marked by the Examiner, "Exhibit Y, November 15th, 1889. E. Z. B."

Also letter same to same, dated April 23d, 1887; marked by the Examiner, "Exhibit Z, November 15th, 1889. E. Z. B."

Also telegram dated April 23d, 1887, same to same; marked by the Examiner, "Exhibit AA, November 15th, 1889. E. Z. B."

Also telegram dated April 21st, 1887, same to same; marked by the Examiner, "Exhibit BB, November 15th, 1889. E. Z. B."

Also telegram April 21st, 1887, same to same; marked by the Examiner, "Exhibit CC, November 15th, 1889. E. Z. B."

Also letter, same to same, dated April 18th, 1887; marked by the Examiner, "Exhibit DD, November 15th, 1889. E. Z. B."

Also letter dated April 15th, 1887, same to same; marked by the Examiner, "Exhibit EE, November 15th, 1889. E. Z. B."

Also letter dated April 13th, 1887, same to same; marked by the Examiner, "Exhibit FF, November 15th, 1889." E. Z. B.)

Cross-examination.

By MR. DALE:

Q. In August, 1888, at the time of the interview which you have referred to as taking place between yourself, Mr. Bowen, Mr. Hildreth, and Mr. Walter Wood, R. D. Wood & Co., subject to the claim of Hopper & Co., were the pledgees of stocks and bonds to a very considerable amount, of which you were the ultimate owner?

A. Yes, sir.

Q. At that time both you and Walter Wood believed that after paying the debt of Hopper and Wood there would be a surplus to you?

A. Yes.

Q. It was out of that surplus which they believed would exist that there was this talk of making a payment to the Holly Company. When I say out of that surplus a payment was to be made, it would have been recouped out of that surplus.

A. Out of the proceeds of these securities this money would be eventually returned to Wood.

Q. But no terms were finally settled between the parties. No agreement was reached?

A. No, sir.

Re-direct examination.

By Mr. Ashhurst:

Q. Can you say whether or not you do not still hope to have a surplus from those securities?

A. I certainly do.

(Under call of Mr. Hannis, counsel for plaintiffs produce letter-book containing press copy of letter from Hildreth to the Holly Company, referred to in his testimony, under date January 26th, 1888, and pressed at page 622 of said book.

Mr Ashhurst offers said letter in evidence, and it is marked by the Examiner, "Exhibit GG, November 15th, 1889."

Objected to by Mr. Dale, as against the water company, and R. D. Wood & Co.

Objected to by Mr. Hannis as irrelevant. Mr. Hannis states that the witness Hildreth had fixed the date of a meeting with Hopper & Co. by reference to a certain letter which he alleged he had written, and that Mr. Hannis called for that letter simply for the purpose of testing his credibility on the subject.

Mr. Ashhurst states that he had understood the call as designed to test Mr. Hildreth's accuracy and credibility, not only as to the date of the meeting, but as to the accuracy of his memory of what there transpired, and, therefore, he deems the letter pertinent, as affirming the accuracy of Mr. Hildreth's account of what occurred. Counsel cannot at this stage limit the scope of the reasons for the call assigned at the time.

Mr. Hannis replies that the examination and cross-examination of the witness will show that he did not pretend that

he had stated in this letter anything in reference to this meeting, but when asked, on cross-examination, how it was that he fixed the latter part of January as the date of the meeting, he said that it was simply because he had written a letter from Philadelphia about that date. To test his memory, and for no other purpose, the letter-press copy of that letter was called for.)

Adjourned to 3 P. M., Tuesday, November 19th, 1889.

TUESDAY, November 19th, 1889, 3 P. M.

Present—The Examiner, Messrs. Ashhurst, Hannis, and James F. Bullitt, Esq., for Mr. Dale, of counsel.

WILLIAM H. MILLER, having been duly sworn by Phillipus W. Miller, Esq., notary public, was examined as follows:—

By MR. ASHHURST:

Q. When did you first become connected with water companies in the neighborhood of Chester?

A. I do not know that I can give you the exact date; somewhere in 1885.

Q. In the fall of 1886 what position did you hold, with regard to any water companies in Chester?

A. Secretary.

Q. Of what companies?

A. I would have to refresh my memory first. I cannot say the date of the contract I made with Mr. Bullock. If it was before that date I can tell you?

Q. Those are before that date. Those contracts were in November and December, 1886. I am speaking of a period before that date.

A. I was secretary of the New Chester Water Company, the South Chester Water Company, the Penn Water Company, and the Upland Water Company.

Q. Were you attorney for any of these parties connected with the matter at that time, and, if so, for whom?

(Objected to on behalf of Hopper & Co. and Buckner by Mr. Hannis. Same objection on behalf of R. D. Wood & Co. and for New Chester Water Company by Mr. Bullitt.)

A. What do you mean exactly by that?

Q. Did you represent any parties interested in those companies, or those companies as attorney?

A. I did at a later date.

(Agreement dated November 18th, 1886, and heretofore marked "Exhibit A, of September 28th, 1889. E. Z. B.," shown witness.)

Q. That agreement was executed by you?

(Objected to by Mr. Hannis as irrelevant. Objected to for the same reason by Mr. Bullitt.)

A. Yes, sir.

Q. Will you say whether or not, as attorney for the New Chester Water Company, you were authorized to execute that agreement?

(Objected to by Mr. Hannis, first, that it is irrelevant, and secondly, that witness' authority of the New Chester Water Company could only be manifested by the seal of the company. Objected to for the same reason by Mr. Bullitt.)

A. I executed that as attorney for the owners of the New Chester Water Company. It is signed that way.

Q. Who were the owners at that time?

(Objected to by Mr. Hannis as irrelevant. Objected to by Mr. Bullitt for the same reason.)

A. I cannot recite the members. I gave due-bills for a quantity of the stock, and stood in the shoes of those people and signed the paper.

Q. (Paper marked "Exhibit F, of September 28th, 1889. E. Z. B," and, being agreement dated nineteenth day of December, 1886, shown witness.) That is attested by you?

(Objected to for the same reason by Mr. Hannis, and also objected to for the same reason by Mr. Bullitt.)

A. Yes, sir. That is the agreement referred to in the contract. This is the prior agreement referred to in the contract that has just been handed me.

Q. And carried into effect?

A. The provisions carried into effect as shown there.

Q. This agreement is attested by you as secretary of the New Chester Water Company?

A. Yes, sir. And all the other companies.

Q. And also of the Penn and Upland?

A. It was signed by the stockholders of the other companies, according to the conditions of the contract.

Q. As well as by the company?

A. Officers and members of the company. Officers and stockholders entirely—those that were left. There were a few stockholders left, as recited in this agreement, simply to hold possession. The balance of the stock was held in my name. The officers that were left, and the stockholders that were left, signed, individually, in each one of these cases as stockholders. All the stockholders that were left, outside of myself, holding the majority of the stock represented by due-bills, which I had already given to others. I am, individually, responsible to this minute for due-bills in connection with that matter.

Q. These were the corporate seals of each one of these companies?

A. Yes, sir.

Q. Duly attested by you as secretary?

A. Yes, sir.

Q. And yourself and the other persons signing constituted all the stockholders of the respective companies at that date?

(Objected to by Mr. Hannis; objected to by Mr. Bullitt.)

A. Yes, sir.

Q. Say whether or not that was a carrying into effect the preliminary agreement.

A. The portion of that contract; yes, sir. Where an agreement of this character is declared to be wanted, and that was in conformance of the contract, I carried out the portion of it. It was part of my agreement.

(Mr. Ashhurst re-offers in evidence the two agreements marked respectively, "A and F, September 28th, 1889. E. Z. B."

Objected to as irrelevant by Mr. Hannis, and objected to for the same reason by Mr. Bullitt.)

Q. (Book heretofore marked "November 14th, 1889. P. R. B., No. 42," shown witness.) What is that book?

A. Stock account of the Penn Water Company.

Q. Is that in your handwriting?

A. Yes, sir.

Q. Does that correctly show the condition of the stock at the time of the execution of these papers?

A. Yes, sir.

Q. The total stock was then ten shares?

A. Ten shares, par one hundred, one thousand full paid.

Q. That amount had been paid in cash at that time?

A. Yes, sir; ten per cent. had been paid and the rest had been taken in contract agreements. The full law had been complied with.

Q. (Book marked "November 14th, 1889. P. R. B., No. 41," shown witness.) What is that book?

A. Cash-book of treasurer De Silver.

Q. In whose handwriting is it?

A. A portion of it is in his handwriting. The final portion of it is in my handwriting.

Q. It is closed in your handwriting?

A. Yes, sir.

Q. What appears in that cash-book as to the amount paid in in cash?

(Objected to as irrelevant by Mr. Hannis, and objected to for the same reason by Mr. Bullitt.)

A. Amount of cash paid in for assessment and final balance on the amount of stock, off-set by amount paid for expenses of different kinds of the same value.

Q. Do the stockholders appear to have received reimbursements?

A. They did for services rendered. There was a large amount of service rendered at the time; as far as I was concerned, the cost of papers included in that; there was a great deal of work done about that time, and it was agreed upon that they should be paid for their services.

Q. The services in proportion to their interest in the stock?

A. Exactly; yes, sir.

Q. It was returned in the proportion?

A. Yes, sir.

Q. So that the result of that was what?

A. The ten per cent. in cash was actually paid in. The balance was paid up in services.

Q. The balances for services were equally divided among the stockholders in proportion to their stock?

A. Yes, sir.

(All of the foregoing objected to as irrelevant by Mr. Hannis, and also objected to for the same reason by Mr. Bullitt.)

Q. (Book marked "P. R. B., No. 40," shown witness.) What is that?

A. That is the minute-book of the Penn Water Company.

Q. Brought down to what date?

A. June 20th, 1885.

Q. That was also kept by you?

A. Yes, sir.

Q. What property had the Penn Company at the date of this transfer?

(Objected to as irrelevant by Mr. Hannis, and objected to for the same reason by Mr. Bullitt.)

A. I do not know exactly what you mean. What kind of property?

Q. Any kind of property.

A. The chartered rights we valued at considerably more than the capitalization.

Q. I ask only what property.

A. They had no real estate. The chartered rights we considered were more valuable than the capitalization. We had no real estate. We had not bought anything yet.

Q. Any personal property other than the chartered rights?

A. Nothing other than that.

Q. You continued secretary of the Penn Water Company, did you not?

A. When it was turned over in the contract. I continued it until it was merged. I do not remember what date that was. Until the purchase was made by the South Chester, whenever that was, through a reorganization.

Q. Did you keep a subsequent minute-book?

A. No, sir; I did not. I did not keep the minute-books then from that time forward. They were kept by the attorneys. The attorneys kept them in their possession.

Q. To whom do you refer?

A. Mr. Berrian of New York.

Q. You kept no subsequent minute-book?

A. I did not write them up. The minutes were under my supervision, but not written up by me.

Q. Was there a subsequent book of the Penn Water Company?

A. Yes, sir; there must have been, because there was other business done up to the time of the consolidation.

(Mr. Ashhurst calls upon Mr. Ward for the production of the subsequent minute-book, cash-book, and stock-book of the Penn Water Company, and he makes the same call, also, upon Mr. Dale.)

Q. Look at Exhibit No. 42 just referred to, and observe you started a new memorandum of issue of stock.

A. Yes, sir; that is what I referred to a minute ago. This is the reorganization, 17th of February, 1887, by which I continued as secretary of the organization, Mr. Bullock, Mr. Morrison, Mr. Fuller, Mr. Forward, and myself stockholders.

Q. That was the last?

A. That was the reorganization. I think it continued that way until the sale to the South Chester Company.

(Book marked "P. R. B., No. 36, November 14th 1889," shown witness.)

A. These are all exactly alike. Upland and Penn precisely the same course. They are precisely alike in every particular. Both companies precisely alike in every particular.

Q. The same answers apply to No. 36, which is the stock-book, and to No. 35, which is the cash-book?

A. Yes, sir; you will find they are precisely alike in every particular.

Q. And also as to the minute-book?

A. Yes, sir; the cash and the minute-book the same.

Q. (Minute-book P. R. B., No. 34, November 14th, 1889, of the Upland Company, shown witness.) What property had the Upland Company at the time of the transfer?

(Objected to by Mr. Hannis, and also objected to by Mr. Bullitt.)

A. The same as the Penn, precisely.

Q. Its chartered rights?

A. Its chartered rights.

Q. (Book marked "November 14th, 1889, No. 38 P. R. B." shown witness.) This is the South Chester Water Company?

(Objected to by Mr. Hannis, and also objected to by Mr. Bullitt.)

A. The same answers apply to this.

Q. That is, the stock-book?

A. Yes, sir.

Q. (Book marked "No. 38 P. R. B., Nov. 14th, 1889," being cash-book, and book marked "No. 37," being minute-book, shown witness.)

(Objected to by Mr. Hannis, and also objected to by Mr. Bullitt.)

A. The same answers apply to those as apply to the first.

Q. What about the property of the South Chester Water Company at that time?

(Objected to by Mr. Hannis, and also objected to by Mr. Bullitt.)

A. Its charter and franchises were considered of value.

Q. That constituted the value?

A. Yes, sir. These three companies were made additions to the parent company.

Q. Were there subsequent minute-books of the Upland and South Chester Water Company?

A. The same as the Penn. There must have been.

Q. And other books, stock-books and cash-books?

A. There should have been.

(Mr. Ashhurst calls upon counsel for the water companies, and also counsel for Messrs. Wood, for the production of the subsequent minute-book and cash-book of the several companies.)

Q. The New Chester Water Company you call the parent company?

A. It was so considered at that time. It was to protect that that we got these other charters.

Q. Were there similar books of the New Chester Water Company?

A. No, sir; different books. It was in that company that the moneys were expended largely.

Q. Prior, even, to December, 1886?

A. Yes, sir.

(Mr. Ashhurst calls upon the defendants for the production of all the minute-books, stock-books, and cash-books of the New Chester Water Company, no such books having been among the books and papers heretofore produced.)

Q. (Letter marked "Exhibit J, November 15th, 1889. E. Z. B.," shown witness.) Do you remember writing that letter?

A. Yes, sir.

Q. Can you say whether or not it was part of the negotiation for the sale of the water companies to Messrs. Bullock?

(Objected to as irrelevant by Mr. Hannis, and objected to for the same reason by Mr. Bullitt.)

A. It was.

Q. (Letter dated October 21st, 1886, and heretofore marked "Exhibit K, November 15th, 1889. E. Z. B.," shown witness.) Do you remember writing that letter?

(Objected to by Mr. Hannis for the same reason, and objected to for the same reason by Mr. Bullitt.)

A. I remember writing this.

Q. Part of the same negotiations?

A. Yes, sir.

Q. (Letter dated October 28th, 1886, and heretofore marked "Exhibit L, November 15th, 1889. E. Z. B.," shown witness.) Do you remember writing that letter?

(Objected to for the same reason by Mr. Hannis, and objected to for the same reason by Mr. Bullitt.)

A. Yes, sir.

Q. Is that part of the same negotiation?

A. Yes, sir; it is part of the conditions.

Q. The two hundred and sixty-five shares spoken of in that letter, which company were those of?

(Objected to by Mr. Hannis, and objected to by Mr. Bullitt.)

A. The New Chester Water Company.

Q. What you have spoken of just now is the parent or principal company?

A. Yes, sir.

Q. (Letter dated November 8th, 1886, and heretofore marked "Exhibit M, November 15th, 1889. E. Z. B.," shown witness.) Do you remember writing that letter?

(Objected to by Mr. Hannis for the same reason, and objected to by Mr. Bullitt for the same reason.)

A. Yes, sir; that is an urgent appeal to hurry.

Q. It is part of the same transaction?

A. Yes, sir.

Q. (Letter dated November 24th, 1886, and heretofore marked "Exhibit G, of September 28th, 1889. E. Z. B.," shown witness.) Do you remember writing that letter?

(Objected to by Mr. Hannis for the same reason, and objected to by Mr. Bullitt for the same reason.)

A. Yes, sir; this is acknowledging the receipt of the first payment.

Q. Is that part of the same negotiation?

A. Yes, sir.

Q. (Letter dated November 27th, 1886, and heretofore marked "Exhibit H, of September 28th, 1889. E. Z. B.," shown witness.) Do you remember writing that letter, and can you say whether or not it belongs to the same negotiation?

(Objected to by Mr. Hannis for the same reason, and also objected to by Mr. Bullitt for the same reason.)

A. Yes, sir; it is part of the same thing.

Q. (Letter dated November 30th, 1886, and heretofore marked "Exhibit K, September 28th, 1889. E. Z. B.," shown witness.) Do you remember writing that letter, and is that part of that negotiation?

(Objected to by Mr. Hannis for the same reason, and also objected to by Mr. Bullitt for the same reason.)

A. Yes, sir.

Q. Kindly say what the bonus referred to in the two last letters was.

A. One was due the State on the charter.

Q. From which of the companies?

A. Those checks mentioned there were for all four companies. We kept everything of that kind up closely.

Q. Do I correctly understand that this bonus was then paid by Mr. Bullock?

A. That was a balance due the State.

Q. This balance had not been previously paid?

A. The first payments had not been made, but the balance was just about due at that time.

Q. Messrs. Bullock & Co. paid it.

A. They paid it according to my agreement with them. It was a necessity that it should be paid at that time. It was just due.

Q. (Letter dated December 10th, 1886, heretofore marked "Exhibit L, of September 28th, 1889. E. Z. B.," shown witness.) What have you to say about that letter?

(Objected to by Mr. Hannis for the same reason, and objected to by Mr. Bullitt for the same reason.)

A. This has nothing at all to do with the business. It is information on other subjects. It is outside of it, entirely. It does not relate to the present investigation.

Q. (Letter dated December 2d, 1886, heretofore marked "Exhibit M, of September 28th, 1889. E. Z. B.," shown witness.) Do you remember that letter?

(Objected to by Mr. Hannis for the same reason and also objected to by Mr. Bullitt for the same reason.)

A. Yes, sir. This is of later date. It is suggesting as to the report on taxation. It comes in as a later date. I was reporting as secretary to the State at this time.

Q. This was a letter written as secretary to Mr. Bullock?

A. Yes, sir; in regard to the State taxation, or to the November taxation blanks of that year. It had nothing to do with the details of the negotiation at all. It was taxation due the State from the companies. The blanks are furnished every November. We had to report to him what we had done before.

Q. It was your advice as to what was best to do?

A. Yes, sir. With regard to taxation.

Q. With the interests which he had now acquired?

A. Yes, sir.

Q. (Letter dated December 7th, 1886, heretofore marked "Exhibit N, of September 28th, 1889. E. Z. B.," shown witness.) Do you remember that letter, and does it refer to the closing of these negotiations?

(Objected to by Mr. Hannis for the same reason; and also objected to by Mr. Bullitt for the same reason.)

A. This letter will come in earlier. It is in regard to the getting of the signatures of the agreement which I contracted to furnish. It refers to this agreement of securing signatures on that agreement. This letter was urging that I have the papers sent to me that I could have them signed.

(Objected to.)

Q. (Letter of December 10th, 1886, heretofore marked "Exhibit O, September 28th, 1889. E. Z. B.," shown witness.) What have you to say about that letter?

(Objected to by Mr. Hannis for the same reason, and also objected to by Mr. Bullitt for the same reason.)

A. This is the same item, referring to the agreement having been completed. It is acknowledging a receipt of it, and I had it completed.

Q. You stated in that letter, "I am happy to say the entire four companies organized are in my possession as attorney for transfer, subject to your instructions, and I have the resignations in hand of all the officers, board of direction, &c., with everything in good shape, and as I understand you desire it." Say whether or not that was correct.

A. It was.

Q. (Letter dated December 13th, 1886, heretofore marked "Exhibit P, September 28th, 1889. E. Z. B.," shown witness.) Do you remember writing that letter?

(Objected to by Mr. Hannis for the same reason; and also objected to by Mr. Bullitt for the same reason.)

A. That is my handwriting. I do not remember what this referred to now.

Q. It was a letter of the secretary, advising as to the business of the company?

A. It was in regard to the business. I could not tell you what it referred to now.

Q. It was written in your capacity as secretary?

A. Yes, sir.

Q. Referring to the business of the company?

A. Yes, sir.

Q. (Letter dated December 21st, 1886, and heretofore marked "Exhibit P, of November 15th, 1889. E. Z. B." shown witness.) Do you remember writing that letter?

(Objected to by Mr. Hannis for the same reason; and also objected to by Mr. Bullitt for the same reason.)

A. Yes, sir.

Q. Was that letter also written by the secretary?

A. Yes, sir. Not exactly the secretary. This was in connection with my agreement.

By MR. HANNIS:

Q. Is it signed "secretary"?

A. No, sir.

Q. Are any of these signed "secretary"?

A. No. Some of them were in the line of duty as secretary, but the most of them were in reference to the agreement I had with Mr. Bullock, Mr. Bullock acting with myself, personally, and acting that way, personally, because he wanted that nobody should interfere but myself, I representing the owners on one side and he representing the capital on the other. That letter was in reference to the part of the agreement which I had made to furnish him certain papers.

By MR. ASHHURST:

Q. (Letter marked "Exhibit R, of September 15th, 1889. E. Z. B.," shown witness.) Did you write that letter?

(Objected to by Mr. Hannis, and objected to by Mr. Bullitt.)

A. Yes, sir. This is part of the agreement which I was carrying out.

Q. Is it also partly connected with your duty as secretary?

A. With regard to tax-return blanks; yes, sir.

Q. You did not feel called upon to exactly discriminate as to whether you wrote officially or in your individual capacity?

A. I was acting from the beginning as secretary of all, and also representing the owners, and in writing I very often use the duties of the secretary as well as personal in the same letter. It would probably take some little time to select the difference. That would not be all applicable to the secretary's duties. I was familiar with the thing from the beginning. I had organized the companies. I had put down the first money in connection with them, and I was familiar with everything from the outstart, and, therefore, I was in constant communication with them. Not only as secretary, but as owner.

Q. You advised in both capacities?

A. Yes, sir.

Q. (Letter dated December 23d, 1886, heretofore marked "Exhibit S, November 15th, 1889. E. Z. B.," shown witness.) Do you remember writing that letter?

(Objected to by Mr. Hannis for the same reason, and also objected to by Mr. Bullitt for the same reason.)

A. Yes, sir. This is a letter of advice.

Q. This is a letter addressed by you to Messrs. Bullock & Co.

A. Yes, sir. It is a letter of advice altogether, as to my ideas of what should be done down there. We had a good bit to contend with at the time.

Q. Both as secretary and owner?

A. No, sir. It was not as secretary. I say, there I think he better have the organization made at once, and have a new secretary elected, and make the returns. It is a letter of advice more than anything else. There were a great many points in interest which I knew all about, and I was posting him about them.

Q. What interest did you retain after the agreement of transfer to Messrs. Bullock & Co.?

A. I contend that my interest has never been transferred yet. That is my contention. If you will read that agreement, you will find I turned it over subject to the payments, and the payments have not been made.

Q. Then I understand that you consider that you retained an interest as security for the payments undertaken to be made you and reverting to you because of the payments not being made? Am I correct?

(Objected to as irrelevant by Mr. Hannis, and objected to for the same reason by Mr. Bullitt.)

A. That is the position I have occupied heretofore; yes, sir.

Q. Did you retain any other interest beyond that in the agreement?

A. As I explained a while ago, I was compelled to give due-bills for interest on the water company's stock, which parties surrendered to me in my personal name so as to enable me to transfer these interests entirely to Mr. Bullock, so that he would not have to handle any more than the one person, and I made this agreement under that right, being personally responsible yet for these very things. The stock to be paid me, and out of that I make the settlements for these individuals.

Q. What amount of stock do you hold?

(Objected to by Mr. Hannis, also objected to by Mr. Bullitt.)

A. Under the original capitalization thirty thousand. Sixty thousand of the present companies issue.

(All of this objected to by Mr. Hannis, and also objected to by Mr. Bullitt.)

Q. Of which company?

A. Of the New Chester Water Company, the parent organization.

Q. That would be three hundred shares or six hundred shares respectively at a capitalization of $100 each.

A. No; the capitalization was fifty.

Q. That would be six hundred and twelve hundred respectively?

(Objected to by Mr. Hannis and objected to by Mr. Bullitt.)

A. It was twelve hundred shares, par fifty.

Q. What is the equivalent for that stock to which you claim you are entitled as represented by what you transferred to Bullock by the agreement of December, 1886?

(Objected to as irrelevant by Mr. Hannis, and objected to for the same reason by Mr. Bullitt.)

A. We delivered him the right to control the organization subject to the payment of that money and those shares of stock.

Q. Therefore you claim your right to these shares of stock in payment for what you transferred to Mr. Bullock in December, 1886?

A. Yes, sir.

Q. Not for any amounts paid to the New Chester Water Company as stock subscriptions?

A. The stock delivered mostly which was represented in the collections which I made and which I hold myself were paid for services rendered of various kinds and for money expended, not on the books of the company. The representation was a very small amount. The cash expended and the services rendered were very valuable indeed, and they were represented by a very small amount of stock in the beginning. When it was calculated the value of the services rendered and everything we placed that value upon it, and that price was demanded of Mr. Bullock for the control of the organization, and contract made accordingly. It was considered at the time that a very small price was put upon it. I know that I could have got $40,000 or $50,000 in cash for it within twenty-four hours afterwards. I have been told that since by a Boston man.

Q. (Letter dated February 28th, 1887, heretofore marked "Exhibit J of November 18th, 1889. E. Z. B.," shown witness.) Do you remember writing that letter?

(Objected to by Mr. Hannis and objected to by Mr. Bullitt.)

A. That must have been under the reorganization of stock.

Q. It was written by you as secretary?

A. Yes, sir.

Q. What stock-book do you refer to?

A. Reorganized under the increased capitalization.

Q. Which company?

(Objected to by Mr. Hannis and objected to by Mr. Bullitt.)

A. The New Chester Company.

Q. What became of that book?

A. The book was signed and sent back to New York.

Q. Who kept those books?

A. The attorney in New York. All papers and books and valuables of every description were left in the charge of the attorney, Charles N. Berrian, in New York.

Q. Whose attorney—Mr. Bullock's?

A. He was attorney for the company. He may have been his special attorney.

Q. He was also attorney for the company, was he not?

A. Yes, sir,

Q. Do you know what stocks were referred to that you and Dr. Forwood had signed?

A. It was to issue the amount of stock under reorganization.

Q. You say you did send back the stock-book and the stock to New York?

A. Yes, sir; sent them back signed.

(Mr. Ashhurst calls upon counsel for the defendants for the production of the certificates of stock and the stock-book.)

MR. HANNIS:—What stock do you call for?

MR. ASHHURST:—All of it.

MR. HANNIS:—The witness has specified a small part.

THE WITNESS:—I simply know of the issue of stock to the board of directors. I do not remember the amount now, any more than a small portion.

MR. HANNIS:—We certainly have none of the certificates of stock that were in this witness' hands at that time.

By MR. ASHHURST:

Q. (Letter dated April 6th, 1887, heretofore marked "Exhibit N of November 15th, 1889. E. Z. B.," shown witness.) Do you remember writing that letter?

(Objected to by Mr. Hannis, and objected to by Mr. Bullitt.)

A. Yes, sir.

Q. That is to Messrs. Bullock & Co.?

A. Yes, sir.

Q. Was that written as secretary?

A. No, sir; because that was in my capacity as W. H. Miller, acting for the old company, whereby I was turning

over and acknowledging receipts of checks and receipt of the agreement and papers, and acknowledging statement forwarding to Mr. Berrian all instructions.

Q. What payment to the Commonwealth did you refer to in that letter?

A. Twenty-three dollars to pay taxes, Secretary of the State, sixty dollars to pay fees for recording the increase of capital of the South Chester and New Chester. "Check $1373.75 I cannot forward until I secure the return of President Forwood as to the completion of such increase."

Q. It was on the increase of capital stock?

A. Yes, sir; that is what it was.

Q. The taxation of the Commonwealth on the increase?

A. Yes, sir.

Q. Made under the reorganization?

A. No, sir; I am not sure whether the increased capitalization was ordered then or before that. It was made under the reorganization. It must have been. It was. It was the time of the reorganization. It was increased.

Q. That was paid by Messrs. Bullock?

(Objected to by Mr. Hannis, and objected to by Mr. Bullitt.)

A. It was advanced by them. It came out of their funds. Company funds of some kind.

Q. Can you say whether or not it was sent by their check?

(Objected to by Mr. Hannis, and objected to by Mr. Bullitt.)

A. You are asking me too much to-day. I cannot tell you that. I do not know. They were advancing all the money that was necessary at the time for the company organization, I know. Whether it came in their check or not I do not know. The treasurer of the organization was Woltman, of New York.

Q. (Letter dated April 13th, 1887, heretofore offered in evidence as Exhibit F F, November 15th, 1889, shown witness.) Do you remember writing that letter?

(Objected to by Mr. Hannis, and objected to by Mr. Bullitt.)

A. Yes, sir.

Q. It refers to the same matter?

A. Yes, sir. That shows. It was that check.

Q. It refers to the check of $1375?

A. Allow me to explain right here. Mr. Woltman, treasurer of this company, was their cashier. I do not know whether there were any funds put in the company treasury and paid by their check or not. That I cannot tell you. I know nothing about the arrangement at that time. It did come from their office. Mr. Woltman generally sent me the check.

Q. Does your letter show whose check it was?

A. It just says "your check." It might have been Woltman's check.

Q. Was it addressed to Woltman?

A. No; addressed to Bullock & Co., because he was their cashier, and treasurer of the company. He was sending the money, and it was generally Woltman's check, signed as attorney. He had power of attorney to sign for them. Whether they kept the money in a separate treasury or not I am not prepared to say.

Q. You say it was usually Woltman's check?

A. Woltman signed the name generally; in fact, he always did.

Q. As attorney for Bullock & Co?

A. Yes, sir.

Q. Or as treasurer?

A. It was generally signed as attorney for Samuel R. Bullock & Co.

Q. P. P.?

A. Yes sir.

Q. (Letter dated April 12th, 1887, heretofore marked "Exhibit U, of November 15th, 1889. E. Z. B," shown witness.) Do you remember writing that letter?

(Objected to by Mr. Hannis, and objected to by Mr. Bullitt.)

A. Yes, sir.

Q. Do you know what the waivers referred to in that letter were?

(Objected to by Mr. Hannis and objected to by Mr. Bullitt.)

A. For increased capitalization.

Q. Who by? By the stockholders?

A. Yes, sir.

Q. It means waiver of notice?

A. Yes, sir.

Q. (Letter dated April 15th, 1887, heretofore marked "Exhibit EE., of November 15th, 1887. E. Z. B.," shown witness.) Do you remember writing that letter?

(Objected to by Mr. Hannis, and objected to by Mr. Bullitt.)

A. Yes, sir.

Q. Was that written as secretary?

A. That would be as secretary; yes, sir.

Q. (Letter dated April 18th, 1887, heretofore marked, "Exhibit DD., November 15th, 1889. E. Z. B," shown witness.) Do you remember writing that letter?

(Objected to by Mr. Hannis, and objected to by Mr. Bullitt.)

A. Yes, sir.

Q. Was that written as secretary to Messrs. Bullock & Co.

A. Yes, sir.

Q. (Telegram dated April 22d, 1887, heretofore marked "CC., of November 15th, 1889. E. Z. B.," shown witness.) Do you remember sending that telegram?

(Objected to by Mr. Hannis, and objected to by Mr. Bullitt.)

A. I think I remember that.

Q. (Telegram dated April 23d, 1887, and heretofore marked "Exhibit BB., November 15th, 1889. E. Z. B.," shown witness.) Do you remember sending that telegram?

(Objected to by Mr. Hannis, and objected to by Mr. Bullitt.)

A. I do not remember this, but I suppose it is correct.

Q. (Letter dated April 23d, 1887, heretofore marked "Exhibit Z, of November 15th, 1889. E. Z. B.," shown witness.) Do you remember that letter?

(Objected to by Mr. Hannis, and objected to by Mr. Bullitt.)

A. Yes, sir. It calls the telegram to my memory.

Q. (Another telegram of April 23d, 1887, heretofore marked "Exhibit AA., of November 15th, 1889," shown witness.) Do you remember that?

(Objected to by Mr. Hannis, and objected to by Mr. Bullitt.)

A. Yes, sir. That is acknowledging the receipt of the seals. I do not remember this. (Telegram dated April 26th, 1887.)

Q. (Letter of April 28th, 1889, heretofore marked "Exhibit Y, of November 15th, 1889. E. Z. B." shown witness.) Do you remember that letter?

(Objected to by Mr. Hannis, and objected to by Mr. Bullitt.)

A. Yes, sir. That refers to that telegram.

Q. Where were the seals of the company usually kept?

A. In New York City.

Q. You were secretary of the company at these times?

A. Yes, sir.

Q. And when a paper was needed to be sealed and executed by yourself and the president, what would you do?

(Objected to by Mr. Hannis, and also objected to by Mr. Bullitt.)

A. The seal would be sent to me. Although I held possession of the secretary's seals for a long while, but I preferred to keep them over there. I did not have any other place for them. They were kept there with all the papers.

Q. (Telegram dated May 4th, 1887, heretofore marked "Exhibit W, of November 15th, 1889. E. Z. B.," shown witness; also letter of the same date heretofore marked "Exhibit V, of November 15th, 1889. E. Z. B.," shown witness.) Do you remember that telegram and that letter?

(Objected to by Mr. Hannis, and also objected to by Mr. Bullitt.)

A. Yes, sir; that was a legal matter that wanted attention in Chester. It was wiring for seals.

(Mr. Ashhurst now renews the offer of the several exhibits, letters and telegrams referred to by the witness, which have been previously offered.

Objected to by Mr. Hannis, and also objected to by Mr. Bullitt.)

Q. (Stock certificates and margins of the South Chester Water Company, heretofore in evidence as a part of contents of envelope marked "November 14th, 1889, P. R. B., No. 14," shown witness.) Do you remember executing those certificates of No. 7 to No 14, inclusive, as secretary?

(Objected to as irrelevant by Mr. Hannis, and also objected to for the same reason by Mr. Bullitt.)

A. Yes, sir.

Q. What were they for?

A. They represented the reorganized company of February 17th, 1887—the South Chester Water Company.

Q. Before increased?

A. Yes, sir. Prior to any of the changes.

Q. What about those two blank certificates?

A. They were simply put in there for convenience in the case of necessity. That form you can get in the city. I bought those forms and used them. They are blank forms you buy and use here. They are issued by Clark. Those forms are used very much in temporary organizations for temporary stock certificates.

Q. This represents a capitalization at that time of ten shares only?

A. Yes, sir. That was before the increase and before anything was done.

Q. After the increase, was there a new stock-book of the South Chester Company?

A. Yes, sir. The other company merged into the South Chester Company and the capitalization increased. The New Chester and South Chester both remain at the present time.

Q. Which were merged into the South Chester?

A. The other two companies were merged into the South Chester, the Penn, and Upland.

Q. Look at the certificates, now shown you, being certificates from one to six inclusive, of the South Chester Water Company.

A. Those are the old originals. June, 1885. Those I had printed for the New Chester Water Company, and altered them to the others.

Q. (Certificates shown witness included in envelope, heretofore marked "November 14th, 1889, P. R. B., No. 12," shown witness.) State whether the same answer applies to the Penn Water Company.

(Objected to by Mr. Hannis, and also objected to by Mr. Bullitt.)

A. That is the same form; one to six of the old certificates; number seven to twelve were of the reorganized company. They are all signed on the book.

Q. Was there any subsequent stock-book of the Penn Water Company?

A. I think not.

Q. This was the closing?

A. That was the closing. These were surrendered at the time. I think there was no other stock ever issued of the Penn and Upland. There was no necessity for it. The consolidation occurred shortly after that. The stockholders of that organization were carried over in the consolidation of that company.

Q. When made out in this form what did you do with the stock?

A. The stock was simply held in that shape.

Q. Did you hold it?

A. I generally held it. I held it, and then I turned it afterwards. I held it until the reorganization was completed; until the merger was made. I think I had possession of that stock. I am sure. It might have been turned over to Mr. Berrian. Mr. Berrian was the custodian of most everything that way. It is barely possible I turned it over to Mr. Berrian, the attorney

Q. Do you remember why Dr. Forwood's certificate of stock was transferred in blank?

(Objected to by Mr. Hannis, and also objected to by Mr. Bullitt.)

A. The ownership of Dr. Forwood in that certificate was merely nominal. Dr. Forwood's rights were vested in my name. He, together with all the other stockholders, turned over their rights to me.

Q. (Certificate of stock contained in envelope, marked "Upland Water Company," and heretofore in evidence, marked "P. R. B., No. 13, of November 14th, 1889," shown witness.) What are those?

(Objected to by Mr. Hannis, and also objected to by Mr. Bullitt.)

A. Those are the certificates of the Upland Water Company, and in the same form precisely.

Q. The same answers will apply in all respects?

A. Yes, sir.

Q. Was the same course adopted as to the New Chester Water Company?

A. No, sir. There was a separate large stock-book for that company.

Q. Was there any other stock-book prepared after this date of the Upland Water Company?

A. No, sir; not of the Upland and Penn. There was of the New Chester and South Chester.

Q. There ought to be a stock-book of the New Chester running back?

A. Not running back. There must be an old one, and upon the reorganization, if my memory serves me right, the stock-book was lithographed. Instead of using these pamphlet forms, we went into it in the regular way.

Q. After the reorganization there was a new stock-book of the South Chester, also?

A. Yes, sir; in the same form. I think the issues are made in these regular stock-books—lithographed books in the regular form.

(Mr. Ashhurst states that it is plain from previous calls that these are the books to which his calls particularly refer.)

Q. What other books did you keep as secretary of the South Chester and New Chester Water Company?

A. Regular minute-books.

Q. Cash-books?

A. I do not know. The treasurer was Mr. Woltman.

Q. Stock-book?

A. No. I did not keep the stock-book after that.

Q. Was there any other book that you remember, keeping except the minute-book?

A. That is all.

Q. The stock-book?

A. I did not keep the stock-book.

Adjourned until Thursday, November 21st, 1889, 3 P. M.

THURSDAY, November 21st, 1889, 3 P. M.

Present—The Examiner, Messrs. Ashhurst, Dale, and Hannis, of counsel.

Continuation of examination of W. H. MILLER :—

By MR. ASHHURST :

Q. At the time of the transfer to Bullock & Co., of December, 1886, what was the amount of the stock of the New Chester Water Company outstanding ?

(Objected to by Mr. Hannis.)

A. I cannot recollect the exact number of shares. They are on the contract.

Q. (Exhibit, B of September 28th, 1889, E. Z. B., being the certificate of incorporation of the New Chester Water Company, shown witness.) Refreshing your memory with that certificate, do you now recall how many shares were originally issued ?

A. The whole of that was originally issued.

Q. That is four hundred shares ?

A. It appears to me that according to the original organization we issued all the stock.

Q. Was that the first incorporation ?

A. Yes; that was the first incorporation. We increased it ourselves after that date.

Q. This is dated the 6th of April, 1885 ?

A. That was the first incorporation.

Q. The first incorporation was four hundred shares, was it not ?

A. Yes, sir; $20,000; that is what it was.

Q. In the agreement of 9th of December, 1886, which was shown you at the last meeting, and which was heretofore marked "Exhibit F, of September 28th, 1889, E. Z. B.," it recited that the capital of the New Chester Water Company was $500,000, viz., ten thousand shares of fifty dollars each, of which two hundred and sixty-five shares were outstanding in the hands of Messrs. Forwood, Dutton, De Silver, and yourself.

A. Yes, sir.

Q. Do you recall how the change had been made?

A. Yes, sir. When the original stock was issued it was part cash and part delivered for services rendered. When the reorganization of the increased capitalization was made I reduced them at once to a cash basis. I did not deliver them so many shares. You understand me distinctly when I say I advanced all the money in the beginning for this corporation, and I had control of it, and I insisted upon these parties accepting what I deemed was correct under the new reorganization, under the increased capitalization.

Q. That was the two hundred and sixty-five shares?

A. Yes, sir; they did not represent all that was considered the value of it, but I had made up my mind to keep the stock issue very light, and under the circumstances, they accepted that in lieu of the other.

Q. In lieu of the four hundred?

A. In lieu of the four hundred. I had practically advanced all the money up to that time.

(Mr. Hannis objects to all the foregoing as not the best evidence, when the record is accessible and will show exactly what was done.)

Q. At the time of this transfer what was the condition of the remaining ninety-seven hundred and thirty-five shares?

(Objected to.)

A. It was simply held in the treasury.

Q. Not issued at all?

A. Not issued; although there were some claims against it.

Q. What property had the New Chester Water Company at the time of this transfer?

(Objected to.)

A. They had purchased a reservoir site and began to work, and spent a great deal of money in investigating and engineering.

Q. Where was this reservoir site?

A. Where the present one is; the same ground.

Q. Was the title to it at that time in the New Chester Company?

A. No sir; because I paid $500 down and with a contract to purchase. We had also purchased a pumping station out on the Chester Creek, which was afterwards abandoned. We went through a considerable amount of labor in connection with the earlier organization, the intention being to use the water of the two creeks, the Chester Creek and the Ridley Creek, and I had at that time even contracted for the purchase of a large property on Ridley Creek, with the intention of using it as a pumping station. Our intention being to pump from the two creeks on this ground in between. We went to considerable expense, and considerable money was used in connection with the thing, one way or another; but it was not represented in stock issued, because I had tried all along to keep the stock issues as much as possible within my control, although the moneys were owed for and promised in stock. The conclusion was afterwards reached, and owing to Dr. Forwood's investigation, that Chester Creek was not fit for drinking water, because of the dye-stuff coming down from the mills above. I remember we spent a great deal of time on it, and spent money on it, and purchased land on both creeks for pumping stations. Both purchases were relinquished afterwards. I had several contracts with parties.

Q. The property consisted in certain contracts with parties?

A. Yes, sir; and some money paid on some accounts.

Q. On which $500 had been paid on one, and anything on the others?

A. Some stock had been paid on the other. Some stock had been delivered, and promises of other stock in the other purchases. Mr. John Dutton was the owner, and he was largely interested in the purchase of the pumping station on Ridley Creek.

Q. By the report of the appraisement made by yourself as secretary, and Mr. Christian as treasurer, on the 31st of December, 1885, it appears to be reported that the number of shares actually issued at that time was three hundred; that the amount of capital actually paid in in cash and services was $15,000, and the stock issued was valued at $4000; and that

the remaining shares of authorized capital were not issued, and nothing paid thereon?

A. Yes, sir.

Q. What was the fact? Were there four hundred or three hundred shares issued at the time?

A. There were three hundred at that time, and afterwards reduced to the amount that was delivered on the contract—two hundred and sixty-five. That was by reason of the property returned—contracts—that we canceled that much stock. This $4000 valuation was the valuation for taxation; the valuation at which the stock was held. It was not as to the value of our property or what we held in the deal; it was simply the taxation value of the stock.

Q. Was not that supposed to represent the value of the property?

A. No. It was the value at which the stock was held. You could not have sold the stock for anything at the time. It was the stock value. The nominal value of the stock. We would not have sold the property for $4000. That value was carried on for some little time after that. Very few people seem to understand those reports. They do not seem to get at the proper idea of them, and, I think, there was a mistake reported later on, when the value was reduced beyond that. I contended that was an error; that it should have been held at the same valuation we increased it.

Q. In the following year you certified that the amount of stock actually issued was two hundred and sixty-five shares?

A. That was after the reduction.

Q. And that the amount of capital paid in was thirteen thousand two hundred and fifty shares in cash and services. How did you make that reduction from fifteen thousand to thirteen thousand two hundred and fifty?

A. As I explained, by the cancellation of the contract of purchase and the return of stock—the stock delivered for the purchase of land, and we concluded it was not advisable, and the party was friendly to us and canceled the contract. It was a pumping station on Chester Creek. It was owned by a brother of John Dutton.

Q. That reduction was made by cancelling the contract?

A. Cancellation of contract to purchase land from a brother of John Dutton. It was at his mill on Chester Creek, right on the line beyond the pumping station. It was George Dutton's.

Q. How long did you continue secretary of the New Chester Water Company?

A. I have been secretary from the beginning.

Q. Until what time?

A. Until the present time.

Q. You are still secretary?

A. Yes, sir. Never have changed.

Q. When was the rest of the stock, the other ninety-seven hundred and thirty-five shares, issued, to whom, and under what circumstances?

A. Do you mean after the contract was signed?

Q. Yes.

A. I do not know, exactly, that I can answer that question without referring to the books.

Q. What books will show you?

A. The stock-books of the New Chester Water Company.

Q. (Exhibit A11, of October 4th, 1889, E. Z. B., shown witness.) By this certificate of a vote for the increase of capital stock, it appears that on the first day of May, 1885, the stock was increased from $20,000 to $500,000, and by your affidavit it appears that on the 21st of March, 1887, Samuel R. Bullock & Co. were on that day the holders of ninety-nine hundred and ninety-five shares of the stock of the New Chester Water Company, this affidavit being attached to the certificate filed in the office of the Secretary of the Commonwealth, and heretofore offered in evidence, and marked "A12, of October 4th, 1889, E. Z. B." Can you tell us how Samuel R. Bullock & Co. had acquired this stock between the 6th of December, 1886, and the 21st of March, 1887?

(Objected to as irrelevant by Mr. Hannis.)

A. The contract which I entered into with them for the delivery of the entire capitalization for their management of

the concern, their contract to complete and construct the works of the company, as required by ourselves. They entered into a contract at once to complete and furnish the works required, and we agreed between ourselves that they were to have the management and control of the organization while that thing was going on, and on the completion the stock which was to be due to me was to be delivered to me, which belonged to my parties. They were simply to have the control during the time, so that there could be no interference.

Q. Had they paid anything to the Chester Company for this stock?

A. They paid all the moneys that were owed on back accounts, took entire charge of the whole organization, and went ahead under the agreement to construct and complete the works required.

Q. By the agreement offered in evidence, dated December 6th, it appears that all but two hundred and sixty-five shares were unissued. By that affidavit it appears that on March 21st, 1887, some three months later, this unissued stock had all become vested in Samuel R. Bullock & Co.

A. For their protection in the contract.

Q. What did they pay for it in the company?

A. They commenced a series of payments. They paid all the moneys which were recited in the contract, which they were compelled to pay. They entered into an agreement by which they would take care of all the debts which we had accumulated, and which included all the balance of bonus, payment of all the expenses that we had acquired and were unable to pay. I had gone at that time as far as I could have gone with the thing, and I was not able to carry it any further. I had not been able to reach the capital. They agreed to furnish capital, and they had commenced to pay money at once, and all the trouble we had with Malcolm Peters in that contract was assumed by them. Malcolm Peters wanted $25,000 or $30,000 to step down and out of a former contract which we had made, endeavoring to rob us of a large amount of money, and we were in a very bad condition at the time they

stepped in and took the thing and issued the stock as matter of security to themselves. That was their position in the matter.

Q. What amount had they paid?

A. The contract recites exactly what they paid. They commenced payments. The contract which I made with them recites what they were to pay immediately.

Q. Do you mean the contract of the 9th of December?

A. (Referring to contract.) This is the agreement.

(Objected to by Mr. Hannis, as the stock-books are the best evidence as to the issue of stock, and to whom.)

A. I could not tell you the dates of the issue of the new stock. I only know that by this agreement, and by my contract, the entire stock companies, the total capitalization—that was the understanding with Mr. Bullock—that I should have everything in my name entire, all the old capitalization, and that I should deal with him personally, and whilst I represented quite a number of shares, it was all in my name, and I acted in that way. He, on his part, acted individually or his firm for him, and in that way we carried on the negotiation and a great deal of correspondence, and settlements were made between us in that way, I representing a number of stockholders

Q. I am speaking now of the ninety-seven hundred and thirty-five shares which were unissued on the 9th of December, as stated by you in that agreement and contract, and what Mr. Bullock paid to the Chester Company.

A. He commenced payments before this date.

Q. What is the total amount of those payments?

A. Show me the contract. I can show you some items in it. (Referring to the contract.) The contract recites that Samuel R. Bullock & Co. are desirous of acquiring all the capital stock of, and acquiring the absolute control of, all the said companies, also the shares subscribed and certificates thereof duly assigned, and that Miller agrees to reorganize the said companies by procuring the resignation of all the officers and directors thereof and the election or appointment in their stead such persons as the parties of the second part may nominate.

Q. I think perhaps, you do not quite understand my question.

A. In consideration agrees to pay in full satisfaction thereof the following sums of money; $15,000 in cash to the said Miller, $1500 at the time of the execution and delivery of this agreement, which was paid on the 18th of November, 1886; $1000 at such time thereafter as may be called upon by the said William H. Miller, which was called very shortly afterwards—the settlement of the Christian matter—$2500 on the due execution and delivery to the parties of the second part of the agreement, which was the 2d of December it was paid. Following upon that you want simply the amounts of money that were paid. There were other payments following that. They were to pay $628.75 balance due the Commonwealth for bonus on increased capital stock, which they paid; $300 to William Ward for legal services, which they paid.

Q. Is that part of the $15,000?

A. No, sir; that is all separate. Those are outside debts, which they agreed to take care of. $30,000 in stock was agreed upon. Those $5000 they did not actually pay, but they assumed the settlement of it with Mr. Hubbard, in Boston—$5000 to be used in payment of a claim made through Mr. C. E. Hubbard by Malcolm Peters for the use of the New Chester Water Company. They made themselves responsible for that, and went to work at once to secure the papers and contracts then in existence with this man, Malcolm Peters.

It was that you asked me about the thirteen chartered companies. He was the author of that. After having made a contract with us he went off building other water-works and left us in a hole. I think that is the same deal.

Q. Besides the $15,000 which was to be paid to you for yourself and your associates, and the $30,000 of stock, what was the total of the other payments?

A. (Referring to agreement.) I could only tell by referring. Whilst they agreed to pay Malcolm Peters $5000, they paid him something like $20,000. They found it advantageous to do it. They changed their arrangement afterwards.

The $30,000 of stock, of course, was increased to $60,000 by their increase of capitalization afterwards. Their agreement was $5922.75 under this contract, independent of the cash and stock due to me under the arrangement.

Q. Do you know of any other consideration to the New Chester Water Company for the use of those ninety-seven hundred and thirty-five shares?

A. At that moment, you mean?

Q. Yes.

A. Nothing, except the contract to build the works which they entered into.

Q. Can you say whether that contract to build the works was after or before the subsequent increase of capital to a million, and the authorization of a bonded debt of five hundred thousand?

A. The contract was made almost immediately, I think. It was part of this contract that he should do so. It was carrying out the contract with me. They were compelled to do it, because the limit of the law under which our charter was granted was about to close, and they were to commence immediately, and they did commence immediately, laying the pipe. They sent several boat-loads of pipe before this contract was completed, and commenced spending money on it. They were compelled to do it. If they had not got the pipe under ground, the charter would have been void. The two years had lapsed. The engineers were on the ground when this contract was signed. Instantly, they commenced actively at work in spending money in large amounts.

Q. That was made before the construction agreement was made?

A. Before the final agreement; yes, sir. They commenced immediately. The understanding with Mr. Bullock was, they would have to commence at once or they would not secure the charter. The charter was about to lapse, and we only had a few weeks' time with which to get the pipe there and get it in the ground. If they had not, the thing would have lapsed. If we had not, there were other people there ready to grab the charter away from us. Mr. Bullock and this firm commenced

spending money. We hurried everything there. You notice by my letters I was urging haste, for very good reasons, down there.

Q. (Exhibit A12, of October 4th, 1889, E. Z. B., which appears to be the certificate of the proceedings for the increase of the capital stock from $500,000 to a million, shown witness.) Do you remember those proceedings?

A. Yes, sir. That was done under my own control. This was not the first increase. This increase is dated March 21st, 1887. This was the increase from five hundred thousand to a million.

Q. The stockholders taking part in that increase were Messrs. Bullock & Co. for ninety-nine hundred and ninety-five shares; Mr. Forwood, Mr. Fuller, Mr. Morrison, Mr. Berry, and yourselves, as holders of one share each?

A. That is correct.

Q. Who took the other five hundred thousand capital they authorized and issued?

A. The capitalization, as I understood it, was for the purpose of completing and finishing the works. We had intended then to purchase the old company's plant, which was figured at something like $350,000, and the capitalization would not be sufficient under the circumstances.

Q. Dr. Forwood, the president, certified that the capital had been increased from five hundred thousand to a million. "Said stock being issued for money and property actually received by said company and for labor done." To whom was said stock issued, and what was received for it by the company?

(Objected to by Mr. Hannis, as the stock-books will show and the contracts in evidence will show.)

A. It would be impossible for me at this moment to explain the position of that without the stock-books and the contracts. I know that it was for the purpose of furnishing funds for the construction of the works at the time. The works being very expensive, a large amount of money was required to complete them. It was with that intention the capitalization was in-

creased. Exactly what became of it, or how it was used, I could not say without reference.

Q. Do you remember the same day you were adjudged to conduct the election of the stockholders to vote on the proposition for an issue of $500,000 bond of the New Chester Company?

A. I do not remember it now. I know there was such a thing. (Referring to paper.) It appears to be regular in every form.

Q. That election seems to have taken place the same day as the election for the increase of the capital stock, just previously referred to, namely, the 21st of March, 1887. Can you say whether the capital stock authorized was actually issued and taken on that day before the vote to issue the bonds?

(Objected to by Mr. Hannis as irrelevant, and also because the construction contract and the papers already in evidence are the best evidence.)

A. I could only answer positively by reference to the books. It is a good while for me to remember anything of that kind at the present moment.

Q. It would appear from this certificate which has just been shown you that ten thousand shares were voted for that proposition to increase the stock?

A. That was the whole vote.

Q. That was the old capitalization, was it?

A. Yes, sir.

Q. There were ten thousand voted on this in favor of issuing the bond?

A. That is what this paper states. It must be true.

Q. That was the old capitalization, was it not?

A. That was the amount of the old capitalization.

Q. And the amount represented in your affidavit attached to the same paper?

A. Yes, sir.

Q. Do you remember that a meeting was held at the same time for the increase of the capital stock of the South Chester Water Company?

A. I believe it was all the same day.

Q. (Paper marked "Exhibit A10, October 4th, 1889, E. Z. B.," shown witness, it being certificate from the secretary's office of the Commonwealth.

A. That is all correct, apparently.

Q. That is the same certificate containing the certificate from Dr. Forwood, under date of 15th of April, 1887, that the capital had been increased from $1000 to $600,000, said stock being issued for money and property actually received by said company and for labor done. Do you know how that increase was actually made?

A. Mainly the purchase of the other two corporations, and the value placed upon them.

Q. Which other two?

A. Penn and Upland. Their value to this enterprise.

Q. To whom was that stock issued?

A. That I cannot say without reference to the books.

Q. Do you remember a meeting on the same day, of the stockholders of the South Chester Company, to vote for or against the proposition to issue $300,000 of the bonds of that company?

A. Yes, sir.

Q. (Paper shown witness, being certified copy from the office of the Secretary of the Commonwealth of the election return and certificate of increase of indebtedness of the South Chester Water Company.) State whether those are the proceedings.

A. As far as I am able to judge at the moment they must be. They look like it. Proposition to issue not exceeding three hundred thousand in its bonds, payment in same way secured by mortgage, is correct.

Q. It appears by that certificate that the stock voting upon this question was the original ten shares?

A. All the stockholders of record at that date.

Q. And not the stockholders, according to the increased capitalization of $600,000?

A. It could not be, naturally, because there could not be more than the stockholders of date—all there was on that date. The proposition was to increase the capitalization from that date.

Q. I am not speaking of the increase of indebtedness.

A. The proposition was to increase the capitalization and the mortgage not exceeding $300,000, to be secured, and the bonds not exceeding three hundred thousand to secure the mortgage. At that date there was none of that thing accomplished. This vote was simply for the stockholders on that date voting that increase.

Q. Were the ten shares of original stock?

A. The stockholders of record on that date.

(Mr. Dale objects to the answers of the witness, as they are legal conclusions and not confined to questions of fact.)

Q. Do you remember who were present at that meeting?

A. I do.

Q. Who were present?

A. The gentlemen there on that list. If my memory serves me right they were all there; Berry, Morrison, Fuller, myself, and Mr. Mercer, representing Bullock & Co., and Forwood.

(Certificate of this proceeding duly certified in the office of the Secretary of the Commonwealth, offered in evidence by Mr. Ashhurst, marked "November 21st, 1889, C. H. G., No. 1."

Objected to by Mr. Hannis as irrelevant, and also objected to by Mr. Dale for the same reason.)

By Mr. Hannis:

Q. Samuel R. Bullock & Co. were entitled to all the increased stock under the construction agreement?

A. They were.

By Mr. Ashhurst:

Q. Do you remember the construction agreements with Samuel R. Bullock & Co.?

A. I remember we had such.

Q. With both companies?

A. I believe so.

Q. Do you remember the date of them?

A. Not without reference.

Q. (Copies of construction agreement heretofore offered in evidence, and marked "Exhibits Q and R, of September 28th, 1889. E. Z. B," shown witness.)

A. These appear to be the copies of them. I would not

like to state these were the actual conditions of the things without seeing the thing itself or a certified copy. These do not appear to be signed, and are not certified copies.

Q. Can you recollect whether the construction contracts were signed before or after these elections held on March 21st?

(Objected to by Mr. Hannis as irrelevant.)

A. I could not tell you. I do not remember.

Q. Do you remember who settled the terms of these contracts?

A. It was an understanding between Dr. Forwood and myself, mainly, representing the companies and Bullock and Mercer as to what they should be, Dr. Forwood always insisting upon a certain amount of the work, and being mayor of the city, he had a very great deal of interest in it, the intention being that we should have first-class water-works there.

Q. Do you remember those contracts being submitted to the doctor?

A. They must have been, although I do not bring to my mind exactly the date or time. I remember that they were made. The particulars, or when or how they came to be executed or presented, I do not remember now.

Q. Do you remember formal proposals, dated 19th of March, 1887, submitted by Bullock & Co. for making the water-works?

A. I will have to refer to the minutes to find that out, or to know exactly how those things were made. I do not remember now. I do not like to make a statement unless it is borne out by the facts.

Q. You cannot recollect whether they were discussed at the board, or when they were adopted, or whether the proposals were modified in any way?

A. No; I do not. The meetings were held at those dates and during that time that propositions were submitted in writing and acted upon, and, as far as the details were concerned, I left all that to the legal mind of Mr. Berrian. I depended a great deal on him as to things being correct. I was very friendly to Mr. Bullock and his concern and have been

severely censured since for my allowing it to be to that extent by parties interested with me, and I possibly did leave a little too much to them.

Q. Your agreement of December 9th provided that they should have the entire control, did it not?

A. Absolutely. Although they presented the matters, of course, in due form to all the meetings, the attorneys preparing the papers.

Q. Were you a director of the companies?

A. I was; yes, sir.

Q. Do you remember whether you furnished Messrs. Bullock with a resignation in blank, to take effect at any time?

(Objected to as irrelevant.)

A. Not after the reorganization. Nothing of that kind in my name. My interest was recognized as permanent.

Q. In the copy of the construction agreement which has been shown you, between Bullock & Co. and the New Chester Works, it was provided that Bullocks were to receive $500,000 of bonds and seventeen thousand out of twenty thousand shares of the capital stock. Do you remember what was the disposition of the other three thousand shares?

(Objected to, as the writings in evidence will show, and are better evidence than the memory of the witness.)

A. I don't remember, exactly.

Q. Were not those three thousand shares to go under the articles of trade to the Penn and Upland Company?

A. I was going to suggest that, but was not certain of it.

Q. Were you not in error in saying that the stock of the South Chester Company was to go in that direction in paying for the property of the old company?

A. I would have to look those agreements all over to refresh my memory about it. I have really forgotten. I am confused on that, I admit.

Q. Do you remember whether there were instruments of sale made at the same date for the Upland and Penn Water Companies to the South Chester Company?

A. I think there were. I know we did execute some such papers.

Q. Those were carrying out the original agreement?

A. Yes, sir.

Q. On the 27th of December, 1887, it appears by "Exhibit A6, October 4th, 1889. E. Z. B.," being certificate from the office of the Secretary of the Commonwealth, that you, as secretary and Mr. Woltman, as treasurer of the New Chester Water Company, certified that the authorized capital of the company was a million, in twenty thousand shares of fifty dollars each, on which fifty dollars had been paid into the treasury of the company on each share. How had that been paid?

(Objected to by Mr. Hannis as irrelevant.)

A. Cash and services, I presume, and property purchased. Valued that way.

Q. And at the same date you valued the stock of the company at five cents per share. How did you arrive at that value?

(Objected to by Mr. Hannis as irrelevant.)

A. They did not consider the stock worth much about that time. There was a good bit of trouble on the continent at that moment.

Q. Did you consider that the valuation which had been paid in March had disappeared by December?

A. I always felt that this valuation was a little low. It was made by Mr. Woltman, and at a moment when it was too late to alter it, and we could not change it. I always objected to that. I complained about it at the time.

Q. At the same date, December 27th, 1887, according to the records of the Commonwealth, you seem to have valued the stock of the South Chester Company, also, at five cents per share, and six thousand shares or $600,000 paid in. Have you anything to say about that?

A. I may say to you that during the construction of the works we agreed among ourselves that the valuation of the stock should be kept at a low figure for the sake of not paying any more tax than was necessary. These valuations were made that way. The intention not being to reduce it that way, but rather to increase than anything else.

Mr. Woltman at this date, not being aware of our intention and arrangement in this matter, made up these papers and sent them forward for signature just the day they were due in Harrisburg, and I had not time then, and I had to let them go forward, although I was afraid they would be returned. We return them on the last of the year, on a certain date, and if they are not in on that date you are liable to fine. They were not in until the very last moment, and, therefore, they were not corrected. That accounts for that reduction of valuation, which really was not a fact. It was simply an error on the part of the treasurer at the time.

Q. Do you know of any cash paid into the treasury of the company on any of this increase of stock?

A. The treasurer's books were kept in New York, and I am aware that there was a large amount of money paid in constantly, and made use of, in the purchase of all sorts of material and all sorts of expenditure, engineering, &c.

Q. That was under the construction contracts?

A. Yes, sir.

Q. Apart from the construction contracts and from the work of construction?

A. The moneys which were paid in were apart from the construction contracts, and all the fees paid the Government all the way along were moneys paid apart from the construction contract. They kept up everything. Legal fees of every description, independent of the construction contract, payment of old debts, all kinds of taxation fees, and checks of every description, so that their payments were very large. You might include among that the purchase of the old works in Chester, which was entirely apart from the construction. However, they got to work at the construction. It was conceded by people there that it was a necessity for us to own these old works. There was a large amount of money expended in the reaching of the contract with the old company, and afterwards $300,000 paid down in cash for those works, which really could have been replaced for $90,000 at the time. We figured that down.

Q. That was the purchase in July of the South Ward Water Board's property?

A. Yes, sir.

Q. Made some three months after the date of these agreements?

A. Yes, sir.

Q. You think that the property thus acquired was very much less in value?

A. It could have been replaced for less money. It was valued by the people there, and we were compelled to pay it or go without.

Q. You think it could have been replaced for how much less?

(Objected to by Mr. Hannis as irrelevant.)

A. We figured the cost of a line of mains in the streets at $90,000, which was practically all that they had that we wanted. We had other properties. I refer to the mains alone. The real estate and other things I do not consider. Of course, they were valuable—the reservoir site and one thing another which they owned.

(By the witness' testimony it appears that the books not yet produced are the vital ones for the subject-matter, and subject to an opportunity of further examination; when those books are produced, Mr. Ashhurst hands the witness over for cross-examination.)

Cross-examination.

By Mr. Hannis:

Q. At the time of this election for the issue of bonds, on the 21st of March, 1887, were there represented at these elections all the persons who were then interested in the stock, and also the proposed increase of stock?

A. Absolutely.

Q. Samuel R. Bullock & Co. were entitled, under the construction contract of that date, to all of this increased stock, were they not?

A. It was so understood and agreed upon.

Q. And they were represented at that meeting and voted?

A. Yes, sir.

Q. Both companies?

A. Yes, sir.

(Except as to that, Mr. Hannis objects to all the foregoing testimony offered in this case on behalf of his clients as irrelevant, and declines to cross-examine on it.

Mr. Dale joins in the objection on behalf of R. D. Wood & Co. and the water companies defendant.)

Adjourned.

THURSDAY, December 19th, 1889, 3 P. M.

Present—The Examiner; Mr. Ashhurst, Mr. Hannis, and Mr. James F. Bullitt (for Mr. Dale), of counsel; and parties.

E. W. MCCALLUM, having been duly sworn, was examined as follows:—

By MR. ASHHURST:

Q. Are you in the employ of the executive committee of the water company?

A. Yes, sir.

Q. What is your position?

A. General superintendent.

Q. Have you in your custody or control the stock-certificate books of the South Chester and New Chester Water Companies?

A. I have not.

Q. Have you ever seen those books?

A. I have.

Q. When?

A. I saw them before I went South. That was in August.

Q. In August last?

A. Yes, sir.

Q. Where were they then?

A. They were in my office.

Q. The stock-certificate books of both these companies.

A. Yes, sir.

Q. Do you know where the minute-books of those two companies are?

A. I do not.

Q. Have you ever seen them?

A. Not to my knowledge.

Q. Have you any other books of the South Chester and New Chester Water Companies in your custody or control?

A. I have duplicates of the cash-book and ledger for this year's work.

Q. Any others?

A. No, sir.

Q. Have you had in past times any others?

A. No, sir.

Q. Where is your office?

A. It is in the office of R. D. Wood & Co.

Q. In whose custody did you leave those books when you went South in August?

A. I left them in the office.

Q. When did you return?

A. The latter part of August.

Q. Who had access to them?

A. At that time?

Q. Yes.

A. I had access to them myself at that time.

Q. Who else while you were absent had access to them?

A. The treasurer of the company.

Q. Who is he?

A. Mr. Walter Wood.

Q. Any one else?

A. No, sir.

Q. Were they in the fire-proof?

A. No, sir.

Q. Where were they in the office?

A. They were in a box by themselves.

Q. When you came back were they gone?

A. No, sir.

Q. Where were they?

A. They were in that box, I suppose.

Q. Are they still in that box?

A. I presume they are.

Q. Under whose control are they now?

A. I don't know whose immediate control they are under now.

Q. Are they in yours?

A. No, sir.

Q. Are they in Mr. Wood's?

A. I couldn't say.

Q. Do you know anything of the books of the Mobile Water Works?

A. All I know is a duplicate of the cash-book and ledger for this year's work.

Q. Have you ever seen the stock-certificate book or stock-book?

A. Of the Mobile Works?

Q. Yes.

A. Yes, sir.

Q. When did you see it?

A. The same time I saw the Chester ones.

Q. Are they in the same box?

A. Yes, sir.

Q. What other books about Chester and Mobile are in that box?

A. The stock-book at Sharon.

Q. I mean, what other books relating to the Chester or Mobile Works?

A. None.

Q. No other book?

A. No, sir.

Q. Have you seen any other books of Chester and Mobile in other parts of your office?

A. No, sir.

Q. Did you ever have charge and control of these books?

A. No, sir.

(Mr. Hannis objects to all the foregoing testimony as irrelevant, and declines to cross-examine.)

CHARLES M. BERRIAN, having been duly sworn, was examined as follows:—

By MR. ASHHURST:

Q. You were formerly a director of the New Chester Water Company?

A. Yes, sir.

Q. And acted as legal adviser for the company?

A. I did.

Q. Do you know also the South Chester Water Company?

A. Yes, sir.

Q. Do you remember the minute-books of those companies?

A. Yes, sir.

Q. What is your last memory of them?

A. I think, the last time I remember the minute-book of the New Chester Water Company it was sent to Mr. Bullock's office, after the writing up of the minutes of one of the meetings.

Q. And what, as to the South Chester Company?

A. My impression is that the minutes of the South Chester Water Company, subsequent to the time that Mr. Bullock took hold of the company, were never written in the book. They were merely written out on legal cap, and signed with the signature of the secretary, at the meetings. I don't think they were ever formally entered in the book.

Q. What became of the papers?

A. I can't say now.

Q. Were they in your office?

A. Yes, sir.

Q. Have you them now?

A. I think not.

Q. What did you do with them?

A. That I can't say. That is, these loose sheets?

Q. Yes.

A. Yes; I can't say what became of them.

Q. About when was the New Chester minute-book sent back to Mr. Bullock's office?

A. It was prior to the time he made his assignment.

Q. Prior to November, 1888?

A. Yes, sir.

Q. Have you ever seen the book since?

A. No, sir.

Q. Do you know the stock-certificate books of those two companies?

A. I have seen them.

Q. Where were they when you last knew them?

A. I haven't a clear remembrance of them, but I think they were in the tin box in Mr. Bullock's office.

(Mr. Hannis objects to this testimony as irrelevant, and declines to cross-examine.)

BULLOCK, having been recalled, was further examined, as follows:—

By MR. ASHHURST:

Q. Do you remember the stock-certificate books of the South Chester and the New Chester Water Companies?

A. Yes, sir.

Q. Do you remember the minute-books of those companies?

A. Yes, sir.

Q. What is your memory of the minute-books of both companies?

A. I think not. My memory coincides with that of Mr. Berrian; I think the South Chester minutes never had a book specially appropriated to them. I think they were a collection of loose paper upon which the minutes of the smaller company were entered, and my impression is they were in the front part of the minute-book of the other company, the New Chester Water Company.

By MR. HANNIS:

Q. That is, in loose sheets?

A. In loose sheets; that they had never been transcribed in the book?

By MR. ASHHURST:

Q. They were put in the book?

A. Just in the front part of the book; put in loosely to

keep the whole thing together. And yet there may have been subsequently a book in which they were transcribed. But I recollect quite well about the loose sheets. That was the form in which they originally came to me.

Q. Where were these books kept?

A. Those were kept in my office.

Q. In what?

A. The stock-books were kept in the fire-proof safe, and the minute-books were kept in the box of the New Chester Water Company. That box was labeled "Chester" on the outside, and everything pertaining to Chester was kept in that box.

Q. What has become of those books the last you know of them?

A. The stock-books and the minute-books were all together in the office on the day on which the First National Bank, and R. D. Wood & Co., and Post, Martin & Co. divided the various water companies and their belongings between themselves. The fire-proof was unlocked, and each one of those firms or their representatives took what belonged to them in connection with the various assignments I made on behalf of the companies with whom I had contracts, and from that time on, I don't know anything about them.

Q. Personally, who took those books on that day?

A. It covered more than one day. We were two or three days getting everything together. Mr. Garrett represented R. D. Wood & Co., and Kimball and Curtis, the First National Bank and Post, Martin & Co.

Q. Then who took these books of the South Chester and the New Chester Water Companies?

A. Mr. Garrett took everything connected with the companies which R. D. Wood & Co. held, and amongst those companies were the New Chester and South Chester.

Q. Have you ever seen those books since that time?

A. No, sir.

Q. Have you ever had any control of them?

A. No control of them; no, sir.

Q. What Mr. Garrett do you refer to? Give his first name.

A. Jesse.

Q. Does he live in Philadelphia?

A. I think he does; yes. He was in the employ of R. D. Wood & Co.

Q. Will you say whether or not these stock-certificate books contain the issue of stock since what was called the re-organization of the companies?

A. I don't know that I quite comprehend the question.

Q. When the companies were reorganized at the time you took hold in March, 1887.

A. When I took hold of them these books contained the stock issued subsequent to that reorganization; yes.

Q. You have spoken in your previous examination of the purchase of the South Ward Water-Works plant, &c. How did that purchase turn out as regards the value given for it and its actual value for the purposes of the enterprise?

(Objected to by Mr. Hannis as irrelevant.)

A. There was entirely too much money paid for it for the value received, but it was deemed best to buy the property to extinguish the opposition that was manifested on behalf of the political element in Chester, a number of the trustees or directors of the South Ward Water-Works being members of the City Council of Chester, and they had formulated a plan whereby the city of Chester was to have leased this old property, and made trouble for the New Chester Water Company, so it was thought best that we should simply buy it out and put them in shape to do no harm to the future interests of the New Chester Water Company even at an exorbitant price.

Q. Can you give us roughly an estimate of the purchasing value?

(Objected to by Mr. Hannis.)

A. My impression is that we must have paid about twice as much as the plant was worth.

Q. Give us some particulars of the way in which what you purchased proved unsatisfactory.

A. The pipes, in a number of instances, proved to be rotten. They were simply rusted out and had to be replaced with fresh ones, and after the pressure was turned on a number of joints had to be recaulked, valves gave out, and hydrants were blown out—fire-plugs.

Q. What did you find about the pumps belonging to the old water-works?

A. They were not all appropriate for the supply of water that was called for by the new plans. They were never intended to be used in connection with the new company. The idea was to simply do the best we could with them after we got them.

Q. Will you say whether or not you consulted with Messrs. Hopper & Co. and Mr. William Bucknell on the subject of this purchase of the South Ward Water-Works?

(Objected to by Mr. Hannis as irrelevant.)

A. Yes; we talked the matter over quite a good deal before it was determined to buy up the plant.

Q. This was a change from the original project as indicated?

A. Entirely so. We had no intention of purchasing it when we started in down there. We were going ahead to build the works and paid no attention to the old company. It was only on account of this opposition which was developed, and an unexpected opposition.

Q. Can you say whether or not they were familiar or made you familiar with the valve of the property and of the reasons why it ought to be purchased?

(Objected to by Mr. Hannis as irrelevant.)

A. I think we went into the thing pretty thoroughly. I think we talked all over it.

Q. What was the cause of the funds provided for by your first contract with the new company that they were to advance on the bonds, proving so inadequate for the completion of the enterprise?

(Objected to by Mr. Hannis as irrelevant.)

A. The prime cause was the expenditure of this large amount of money that had not been counted upon. We intended to go in there and purchase material, new material, and build a new set of works, and I had arranged to obtain advances from Messrs. Hopper & Co. that would have enabled me, I think, to have carried through the job satisfactorily from the standpoint on which it was begun; but being driven into

obtaining this large amount of money at a time that none of us had any expectancy of calling for it, I think was the beginning of the unfortunate circumstances that afterwards occurred.

Q. This was all before you had made any contract with the Holly Company at all that this trouble developed, was it not?

A. I don't know. The date of the Holly contract will show that. This was prior to July.

Q. The Holly contract was in August?

A. I don't remember the date of that.

Q. What was the plan by which you expected to cure the deficiency and get enough funds to complete the works? Did you count upon an increase of bonds?

(Objected to by Mr. Hannis as irrelevant and as leading.)

A. The idea was that the South Chester and New Chester Water Companies should be consolidated, and that a new issue of bonds should be made in excess of the two issues that had already been made by each company individually—there should be one issue made by one company; so that instead of $800,000 in the two there would be $1,000,000 in one bond.

Q. When was this idea formed?

(Objected to by Mr. Hannis as irrelevant.)

A. It was first thought of and spoken of after it was found that there would not enough money come out of the $800,000 worth of bonds to enable the job to be completed within those figures.

Q. Will you say whether or not you discussed that plan with Messrs. Hopper & Co.?

(Objected to by Mr. Hannis.)

A. I think we talked about it; yes. I don't think Mr. Bucknell had anything to do with it. I think Mr. Hopper and I talked about it.

Q. Can you say whether or not you discussed that with Mr. Wood?

A. Yes; Mr. Wood and I talked about it.

Q. State whether or not you pointed out the necessity of it to those gentlemen.

A. Yes, sir.

Q. State whether or not Messrs. Hopper & Co. and Mr. Bucknell approved of and consented to the purchase of the South Ward Works.

(Objected to by Mr. Hannis as irrelevant.)

A. They finally consented to it; yes; because I obtained the money from that source to pay for it.

(Mr. Hannis objects to this whole line of testimony as irrelevant, and therefore declines to cross-examine.)

Adjourned until Thursday, December 26th, 1889, at 3 o'clock P. M.

THURSDAY, December 26th, 1889, 3 P. M.

Present—The Examiner; Mr. Ashhurst and Mr. Dale, of counsel; and parties.

Mr. Ashhurst states that Mr. Hannis, having communicated with him, saying he is not well, this examination is taken subject to his (Mr. Hannis') rights of objection and cross-examination.

Mr. Dale, in response to the call of Mr. Ashhurst, produces the stock certificate-book of the South Chester Water Company, and also the stock certificate-book of the New Chester Water Company, and, in producing them, states that the cause of the delay in their production was due to the absence in Europe of Mr. Walter Wood, who had deposited the books for safe keeping with the Fidelity Insurance, Trust and Safe Deposit Company, and that no one connected with Mr. Wood's office in his absence could procure them or knew where they were.

Mr. Ashhurst offers in evidence the stock certificate-book of the New Chester Water Company, the same being marked by the Examiner "No. 1, Dec. 26, '89, A. J. H."

By the above stock certificate-book it appears that:—

Certificate No. 1, five shares, was issued to J. L. Forwood;

Certificate No. 2, five shares, to Samuel A. Dyer;

Certificate No. 3, five shares, to J. Frank Black;

Certificate No. 4, five shares, to William Ward;

Certificate No. 5, five shares, to Walter Wood;

Certificate No. 6, five shares, to H. S. Hopper.

All of the above being dated December 5th, 1888, receipted for through H. S. H., outstanding and appearing to have been given in exchange for certificate No. 32.

Certificate No. 7, dated July 7th, 1887, three thousand six hundred shares, was issued to Samuel Bullock & Co., and canceled;

Certificate No. 8, dated July 7th, 1887, twelve thousand six hundred shares, to Samuel R. Bullock & Co., canceled;

Certificate No. 9, dated July 7th, 1887, twelve thousand six hundred shares, to Samuel R. Bullock & Co., canceled;

Certificate No. 10, dated August 1st, 1887, eight hundred shares, to Samuel R. Bullock & Co., canceled;

Certificate No. 11, dated August 30th, 1887, one hundred shares, to William Bucknell, canceled;

Certificates Nos. 12 to 30 inclusive, dated August 30th, 1887, one hundred shares each, to William Bucknell, outstanding;

Certificate No. 32, dated October 26th, 1887, two thousand nine hundred and twenty shares, to Samuel R. Bullock & Co., canceled;

Certificate No. 33, dated December 5th, 1888, two thousand eight hundred and ninety shares, to William Bucknell, outstanding.

Certificate No. 34, dated September 16th, 1889, five shares, to James H. Little, outstanding;

Certificate No. 35, dated September 18th, 1889, five shares, to Craig Lippincott, outstanding;

Certificate No. 36, dated September 18th, 1889, ninety shares, to James H. Little, Craig Lippincott, and H. S. Hopper, acting trustees, outstanding.

Upon certificates Nos. 34, 35, and 36 is marked, "Taken out of 11."

On canceled certificate No. 7 appears a transfer in blank by Samuel R. Bullock & Co. to William Bucknell: so also on canceled certificates Nos. 9 and 10.

On canceled certificate No. 11 is a transfer in blank by William Bucknell to William G. Hopper & Co.

On canceled certificate No. 32 is a transfer in blank by Samuel R. Bullock & Co., the same being also indorsed with the following memorandum:—

"1. J. L. Forwood; 2. S. A. Dyer; 3. J. Frank Black; 4. William Ward; 5. Walter Wood; 6. H. S. Hopper; 33. William Bucknell."

Mr. Ashhurst also offers in evidence the stock certificate-book of the South Chester Water Company, the same being marked by the Examiner "No. 2, Dec. 26, '89, A. J. H."

By the above stock certificate-book it appears that:—

Certificate No. 1, dated December 5th, 1888, five shares, was issued to J. L. Forwood;

Certificate No. 2, dated December 5th, 1888, five shares, to Samuel A. Dyer;

Certificate No. 3, dated December 5th, 1888, five shares, to J. Frank Black;

Certificate No. 4, dated December 5th, 1888, five shares, to William Ward.

Certificate No. 5, dated December 5th, 1888, five shares, to Walter Wood;

Certificate No. 6, dated December 5th, 1888, five shares, to H. S. Hopper;

Certificates Nos. 1, 2, 3, 4, and 5 being receipted for per H. S. H. Certificates Nos. 1 to 6 inclusive, outstanding, being marked as coming from certificate No. 15.

Certificate No. 7, dated May 1st, 1887, six hundred shares, was issued to Samuel R. Bullock & Co., canceled;

Certificate No. 8, dated June 1st, 1887, four thousand four hundred and forty shares, to Samuel R. Bullock & Co., canceled;

Certificate No. 9, dated July 1st, 1887, nine hundred and sixty shares, to Samuel R. Bullock & Co., canceled;

Prior to cancellation, certificates Nos. 7, 8, and 9 appear to be transferred upon the back to William Bucknell;

Certificate No. 10, dated August 30th, 1887, one hundred shares, to William Bucknell, canceled;

Certificates Nos. 11, 12, 13, and 14, all dated August 30th, 1887, one hundred shares each, to William Bucknell, outstanding;

Certificate No. 15, dated August 30th, 1887, five thousand five hundred shares, to William Bucknell, canceled.

Upon back of certificate No. 15 is a transfer in blank, by William Bucknell, and memorandum, as follows:—

"1. J. L. Forwood, five shares; 2. S. A. Dyer, five shares; 3. J. Frank Black, five shares; 4. Wm. Ward, five shares; 5. Walter Wood, five shares; 6. H. S. Hopper, five shares; 16. William Bucknell, five thousand four hundred and seventy shares.

Certificate No. 16, dated December 5th, 1888, five thousand four hundred and fifty shares, was issued to William Bucknell.

Certificate No. 17, dated September 18th, 1889, five shares, to James H. Little;

Certificate No. 18, dated September 18th, 1889, five shares, to Craig Lippincott;

Certificate No. 19, ninety shares, to James H. Little, Craig Lippincott, and H. S. Hopper, acting trustees.

Certificates Nos. 16, 17, 18, and 19 are marked "taken out of 10," receipted for per H. S. Hopper, and all apparently outstanding.

W. H. MILLER, having been duly sworn, was examined as follows:—

By MR. ASHHURST:

Q. Have you now in your custody, the minute-book of the New Chester Water Company?

A. I have.

Q. When did it reach your custody?

A. There is a little story about this thing that I wanted to to make plain. The book came from Mr. Wood, originally, with all the papers and things there, and was left with me, and afterwards sent to New York to have some additional, later minutes, that were missing, put in. One of the young men from that office brought it over one day, personally,

along with some other business, and left it at my office. I didn't know it was there until some days ago—until the meeting—when I unearthed it, and I took it home to sign the additional minutes, and to add these copies which I present, and owing to sickness in my family, and absence on business, I have been unable to complete it. This morning I endeavored to bring it as it is. It isn't complete, of course, but it is there, and I can testify to anything in regard to it, the matters that are there and those things needing to go in to complete it—memorandums of other meetings.

Q. Are those the subsequent meetings?

A. Those are the subsequent meetings to what are already in the book, and one or two meetings in the back part. I signed a few a few days ago, and there are others that I haven't seen. That was sent over to New York to add these to it. The South Chester were left in memorandum shape, and those I have not received either.

Q. You have not received them?

A. I haven't received them. I don't know where they are. I can't find them yet. If they have been sent to my office I don't know where they are.

Q. Where did you send them, to New York?

A. Those I sent to Mr. Bullock's office, and this book was in a wrapper, in Mr. Bullock's office, addressed to me, and Mr. Bullock, I don't think, knew anything about it. A young man brought it over and left it at my office. I wasn't aware it was there until within about—since you ask questions about the minute-book, when I commenced to look it up to see where it had got to. I can't find the South Chester, although the South Chester was practically, I think, a reflection of everything that was done here. The one worked in with the other. Whatever was done for the benefit of the South Chester was done for the New Chester, and the New Chester for the South Chester.

(Mr. Ashhurst offers in evidence the minute-book of the New Chester Water Company produced, the same being marked by the Examiner "No. 3, Dec. 26, '89, A. J. H.")

Mr. Dale, on behalf of R. D. Wood & Co., objects to the

competency and relevancy of all the evidence offered to-day on behalf of the two companies.

Adjourned until Tuesday, December 31st, 1889, at three o'clock, P. M.

DECEMBER 31st, 1889, 3 P. M.

Present—The Examiner, Messrs. Ashhurst, Hannis, Hill. and Dale, of counsel.

Mr. Hannis objects to all of the testimony taken at the last meeting as irrelevant.

Mr. Ashhurst stated that he desired to print the contents of Minute-book, marked "No. 3, Dec. 20th, 1889, A. J. H.," except the by-laws.

Adjourned.

No. 3. *October Sessions, 1888.*

IN THE

Circuit Court of the United States,

For the Eastern District of Pennsylvania.

IN EQUITY.

The Holly Manufacturing Company

vs.

The New Chester Water Company; The South Chester Water Company; The Bienville Water Supply Company; William G. Hopper and Harry S. Hopper, trading, &c.; Richard Wood, George Wood, Walter Wood, and Stuart Wood, trading, &c.; and William Bucknell.

EXHIBITS TO PLAINTIFF'S TESTIMONY.

ROWLAND EVANS,
R. L. ASHHURST,
L. F. & G. W. BOWEN,
Solicitors for Complainant.

HON. WILLIAM WARD,
Solicitor for the Water Companies.

R. C. DALE,
SAMUEL DICKSON,
Solicitors for R. D. Wood & Co.

WILLIAM C. HANNIS,
Solicitor for William G. Hopper & Co. and William Bucknell.

ALLEN, LANE & SCOTT, PRINTERS, PHILADELPHIA.

EXHIBIT A, Sept. 28, 89. E. Z. B.

OFFICE OF THE SECRETARY OF THE COMMONWEALTH
OF PENNSYLVANIA.

To His Excellency Robert E. Pattison, Governor of Pennsylvania.

SIR:—In compliance with the requirements of an act of the General Assembly of the Commonwealth of Pennsylvania, entitled "An Act to provide for the incorporation and regulation of certain corporations," approved the 29th day of April, A. D. 1874, we, the undersigned, five of whom are citizens of Pennsylvania, having associated themselves together in order that they may be incorporated, and that letters patent may issue to them and their successors according to law, do hereby certify:

1st. The name of the proposed corporation is "The Penn Water Company."

2d. Said corporation is formed for the purpose of the purchase, erection and maintenance of works and the purchase and laying of street mains and connections for the supply of water and the furnishing of the same for public and domestic use to the borough of North Chester, County of Delaware, State of Pennsylvania and such persons partnerships and corporations residing therein and adjacent thereto as may desire the same.

3d. The business of said corporation is to be transacted in the County of Delaware, State of Pennsylvania.

4th. Said corporation is to exist perpetually.

5th. The names and residences of the subscribers and the number of shares subscribed by each, are as follows:

Name.	Residence.	No. of Shares.
WM. H. MILLER,	Philadelphia, Pa.	Two.
WM. B. BUCK,	Philadelphia	Two.
JOSEPH T. DESILVER,	Chester, Pa.	Two.
JOHN DUTTON,	Chester, Pa.	Two.
J. L. FORWOOD,	Chester, Pa.	Two.

6th. The number of Directors of said corporation is fixed at three and the names and residences of the directors who are chosen directors for the first year, are as follows:

Name.	Residence.
Wm. H. Miller	Philadelphia, Pa.
John Dutton	Chester, Pa.
J. L. Forwood	Chester, Pa.

7th. The amount of the Capital Stock of said Corporation is $1000 divided into Ten (10) shares of the par value of $100 each, and $100, being ten per centum of the capital stock, has been paid in cash to the Treasurer of said corporation, whose name and residence are: Joseph T. DeSilver of Chester, Pa., and the balance of said capital stock is declared and taken as full paid stock not liable to any further calls or assessments to be issued for the purchase and payment of lands, buildings, &c., &c.

W. H. Miller, [seal] John Dutton, [seal]
Wm. B. Buck, [seal] J. L. Forwood. [seal]
Joseph T. DeSilver, [seal]

State of Pennsylvania, } ss.
County of Delaware, }

Before me, the Recorder of Deeds, in and for the county aforesaid, personally came the above named Wm. H. Miller, John Dutton and Joseph T. DeSilver, who in due form of law acknowledged the foregoing instrument to be their act and deed for the purposes therein specified.

Witness my Hand and Seal of office, the sixth day of June A. D. 1885.

Edward Blaine,
[seal] *Recorder.*

State of Pennsylvania, } ss.
County of Delaware, }

Personally appeared before me, this sixth day of June A. D. 1885, Wm. H. Miller, John Dutton and Joseph T. DeSilver,

who being duly sworn, according to law, depose and say that the statements contained in the foregoing instrument are true.

Sworn and subscribed before me, this sixth day of June A. D. 1885.

EDWARD BLAINE,
[SEAL] *Recorder.*

W. H. MILLER
JOHN DUTTON
JOSEPH T. DESILVER

OFFICE OF THE SECRETARY OF THE COMMONWEALTH.

HARRISBURG, March 28th, A. D. 1889.

PENNSYLVANIA, *ss.*

SEAL.

I Do Hereby Certify, That the foregoing and annexed is a full, true and correct copy of the Certificate of Incorporation of "The Penn Water Company" as the same appears of record in this office.

In Testimony Whereof, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed the day and year above written.

J. H. LONGENECKER,
Deputy Secretary of the Commonwealth.

EXHIBIT B, Sept. 28, 89. E. Z. B.

OFFICE OF THE SECRETARY OF THE COMMONWEALTH OF PENNSYLVANIA.

To His Excellency Robert E. Pattison, Governor of Pennsylvania.

SIR:—In compliance with the requirements of an act of the General Assembly of the Commonwealth of Pennsylvania, entitled "An Act to provide for the incorporation and regulation of certain corporations," approved the 29th day of April, A. D. 1874, we, the undersigned, five of whom are

citizens of Pennsylvania, having associated themselves together in order that they may be incorporated, and that letters patent may issue to them and their successors according to law, do hereby certify:

1st. The name of the proposed corporation is The Upland Water Company.

2d. Said corporation is formed for the purpose of the purchase erection and maintenance of works, and the purchase and laying of street mains and connections for the supply of water, and the furnishing of the same for public and domestic use to the borough of Upland County of Delaware, State of Pennsylvania and such persons, partnerships and corporations residing therein or adjacent thereto as may desire the same.

3d. The business of said corporation is to be transacted in the County of Delaware, State of Pennsylvania.

4th. Said corporation is to exist perpetually.

5th. The names and residences of the subscribers and the number of shares subscribed by each, are as follows:

Name.	Residence.	No. of Shares.
Wm. H. Miller	Philadelphia Pa	Two
Wm. B. Buck	Philadelphia	Two
Joseph T DeSilver	Chester Pa	Two
John Dutton	Chester Pa	Two
J L Forwood	Chester Pa	Two

6th. The number of Directors of said corporation is fixed at three and the names and residences of the directors who are chosen directors for the first year, are as follows:

Name.	Residence.
Wm. H Miller	Philadelphia Pa
John Dutton	Chester Pa
J L Forwood	Chester Pa

7th. The amount of the Capital Stock of said Corporation is $1,000 divided into ten 10 shares of the par value of $100 each, and $100, being ten per centum of the capital stock, has been paid in cash to the Treasurer of said corporation, whose name and residence are: Joseph T. DeSilver of Chester Penna and the balance of said capital stock is declared and taken as full paid stock, not liable to any further calls or assessments to be issued for the purchase and payment of lands, buildings, &c. &c.

Wm. H. Miller	[seal]	John Dutton	[seal]
Wm. B. Buck	[seal]	J. L. Forwood	[seal]
Joseph T. DeSilver	[seal]		

State of Pennsylvania, } ss:
County of Delaware }

Before me, the Recorder of Deeds, in and for the county aforesaid, personally came the above named Wm. H. Miller John Dutton Joseph T. DeSilver who in due form of law acknowledged the foregoing instrument to be their act and deed for the purposes therein specified.

Witness my Hand and Seal of office, the sixth day of June A. D. 1885.

Edward Blaine
[seal] *Recorder.*

State of Pennsylvania, } ss:
County of Delaware }

Personally appeared before me, this sixth day of June A. D. 1885, Wm. H Miller, John Dutton and Joseph T. DeSilver who being duly sworn, according to law, depose and say that the statements contained in the foregoing instrument are true.

Sworn and subscribed before me, this sixth day of June A. D. 1885
Edward Blaine
[seal] *Recorder.*

W. H. Miller
John Dutton
Joseph T. DeSilver

OFFICE OF THE SECRETARY OF THE COMMONWEALTH.

HARRISBURG, March 28th, A. D. 1889.

PENNSYLVANIA, *ss:*

SEAL.

I Do Hereby Certify, That the foregoing and annexed is a full, true and correct copy of the Certificate of Incorporation of "The Upland Water Company" as the same appears of record in this office.

In Testimony Whereof, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed the day and year above written.

J H LONGENECKER
Deputy Secretary of the Commonwealth.

EXHIBIT C, Sept. 28, 89. E. Z. B.

OFFICE OF THE SECRETARY OF THE COMMONWEALTH OF PENNSYLVANIA.

To His Excellency Robert E. Pattison, Governor of Pennsylvania.

SIR:—In compliance with the requirements of an act of the General Assembly of the Commonwealth of Pennsylvania, entitled "An Act to provide for the incorporation and regulation of certain corporations," approved the 29th day of April, A. D. 1874, we the undersigned, five of whom are citizens of Pennsylvania, having associated themselves together in order that they may be incorporated, and that letters patent may issue to them and their successors according to law, do hereby certify:

1st. The name of the proposed corporation is The South Chester Water Company.

2d. Said corporation is formed for the purpose of the purchase erection and maintenance of works, and the purchase and laying of street mains and connections for the supply of

water and the furnishing of the same for public and domestic use to the borough of South Chester County of Delaware, State of Pennsylvania, and such persons, partnerships and corporations residing therein or adjacent thereto as may desire the same.

3d. The business of said corporation is to be transacted in the County of Delaware State of Pennsylvania.

4th. Said corporation is to exist perpetually.

5th. The names and residences of the subscribers and the number of shares subscribed by each, are as follows:

Name.	Residence.	No. of Shares.
Wm H. Miller	Philadelphia Pa	Two
Wm B Buck	"	Two
Joseph T DeSilver	Chester Pa	Two
John Dutton	Chester Pa	Two
J L Forwood	Chester Pa	Two

6th. The number of Directors of said corporation is fixed at three and the names and residences of the directors who are chosen directors for the first year, are as follows:

Name.	Residence.
Wm H Miller	Philadelphia Pa
John Dutton	Chester Pa
J L Forwood	Chester Pa

7th. The amount of the Capital Stock of said Corporation is $1000 divided into Ten (10) shares of the par value of $100 each, and $100, being ten per centum of the capital stock, has been paid in cash to the Treasurer of said corporation, whose name and residence are Joseph T. De Silver of Chester Penna. and the balance of said capital stock is declared and taken as full paid stock, not liable to any further calls or assessments,— to be issued for the purchase and payment of lands, buildings &c &c

Wm H Miller	[seal]	John Dutton	[seal]
Wm B Buck	[seal]	J L Forwood	[seal]
Joseph T DeSilver	[seal]		

STATE OF PENNSYLVANIA, } ss :
COUNTY OF DELAWARE }

Before me, the Recorder of Deeds, in and for the county aforesaid, personally came the above named Wm. H. Miller, John Dutton and Joseph DeSilver who in due form of law acknowledge the foregoing instrument to be their act and deed for the purposes therein specified.

Witness my hand and seal of office, the sixth day of June A. D. 1885.

EDWARD BLAINE
[SEAL] *Recorder.*

STATE OF PENNSYLVANIA, } ss :
COUNTY OF DELAWARE }

Personally appeared before me, this sixth day of June A. D. 1885, Wm. H. Miller, John Dutton and Joseph T DeSilver, who being duly sworn, according to law, depose and say that the statements contained in the foregoing instrument are true.

Sworn and subscribed before me, this sixth day of June A. D. 1885
EDWARD BLAINE
[SEAL] *Recorder.*

WM H. MILLER
JOHN DUTTON
JOSEPH T DESILVER

OFFICE OF THE SECRETARY OF THE COMMONWEALTH.

HARRISBURG, MARCH 28th A. D. 1889

PENNSYLVANIA, *ss :*

SEAL.

I Do Hereby Certify, That the foregoing and annexed is a full, true and correct copy of the Certificate of Incorporation of "The South Chester Water Company," as the same appears of record in this office.

In Testimony Whereof, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed the day and year above written.

J H LONGENECKER
Deputy Secretary of the Commonwealth.

EXHIBIT D, Sept. 28, 89. E. Z. B.

OFFICE OF THE SECRETARY OF THE COMMONWEALTH OF PENNSYLVANIA.

To His Excellency Robert E. Pattison, Governor of Pennsylvania.

SIR:—In compliance with the requirements of an act of the General Assembly of the Commonwealth of Pennsylvania, entitled "An Act to provide for the incorporation and regulation of certain corporations," approved the 29th day of April, A. D. 1874, we the undersigned, five of whom are citizens of Pennsylvania, having associated themselves together in order that they may be incorporated, and that letters patent may issue to them and their successors according to law, do hereby certify:

1st. The name of the proposed corporation is The New Chester Water Company.

2d. Said corporation is formed for the purpose of the purchase, erection and maintenance of works for the supply of Water and the furnishing of same for public and domestic use to the City and citizens of Chester, County of Delaware State of Pennsylvania and suburbs thereof.

3d. The business of said corporation is to be transacted chiefly in the City of Chester, where the principal office of the Company is to be located.

4th. Said corporation is to exist perpetually.

5th. The names and residences of the subscribers and the number of shares subscribed by each, are as follows:

Name.	Residence.	No. of Shares.
JOHN DUTTON	Chester Pa.	250
GEO. H. CHRISTIAN .	Phila. Pa.	5
WM. H. MILLER . . .	Philadelphia Pa.	130
TYCHO BUCK	Philada. Pa.	10
JOSHUA K. LAMB . . .	Chester Pa.	5

6th. The number of Directors of said corporation is fixed at three and the names and residences of the directors who are chosen directors for the first year, are as follows:

Name.	Residence.
JOHN DUTTON	Chester Pennsylvania.
GEO. A. CHRISTIAN	Philadelphia Pennsylvania.
WM. H. MILLER	Philadelphia Pennsylvania.

7th. The amount of the Capital Stock of said Corporation is $20,000 divided into 400 shares of the par value of $50 (fifty), and $2000, being ten per centum of the capital stock, has been paid in cash to the Treasurer of said corporation, whose name and residence are: Tycho Buck of Philadelphia and the balance of said capital stock is declared and taken as full paid stock, not liable to any further calls or assessments to be issued in payment and purchase of lands, buildings &c. &c.

JOHN DUTTON [SEAL] TYCHO BUCK [SEAL]
GEO. H. CHRISTIAN [SEAL] JOSHUA K. LAMB [SEAL]
WM. H. MILLER [SEAL]

STATE OF PENNSYLVANIA, } *ss:*
COUNTY OF DELAWARE }

Before me, the Recorder of Deeds, in and for the county aforesaid, personally came the above named John Dutton, Geo. H. Christian and Wm. H. Miller who in due form of law acknowledged the foregoing instrument to be their act and deed for the purposes therein specified.

Witness my Hand and Seal of office, the sixth day of April A. D. 1885.

EDWARD BLAINE
[SEAL] *Recorder.*

STATE OF PENNSYLVANIA, } *ss:*
COUNTY OF DELAWARE }

Personally appeared before me, this sixth day of April A. D. 1885, John Dutton, George H. Christian and William

H. Miller who being duly sworn, according to law, depose and say that the statements contained in the foregoing instrument are true.

Sworn and subscribed before me, this sixth day of April A. D. 1885.
EDWARD BLAINE
[SEAL] *Recorder.*

JOHN DUTTON
GEORGE H. CHRISTIAN
WM. H. MILLER.

OFFICE OF THE SECRETARY OF THE COMMONWEALTH.

HARRISBURG, March 28th, A. D. 1889.

PENNSYLVANIA, *ss:*

SEAL.

I Do Hereby Certify, That the foregoing and annexed is a full, true and correct copy of the Certificate of Incorporation of The New Chester Water Company" as the same appears of record in this office.

In Testimony Whereof, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed the day and year above written.

J H LONGENECKER,
Deputy Secretary of the Commonwealth.

EXHIBIT E, Sept. 28, 89. E. Z. B.

ARTICLES OF AGREEMENT Made and entered into this Eighteenth day of November A D 1886 between *William H. Miller* of Philadelphia Pennsylvania party of the first part, acting as the Attorney of The New Chester Water Company a Pennsylvania Corporation and *Samuel R. Bullock and Company* of the City of New York parties of the second part *Witnesseth*

WHEREAS The New Chester Water Company was incorporated for the purpose of supplying water to the City of Chester Pennsylvania and absolutely controls the franchises of the

Penn Upland and South Chester Water Companies which were incorporated under the Laws of Pennsylvania for the purpose of supplying Water to the Boroughs adjacent to said City of Chester, and the parties hereto of the second part are desirous of acquiring all the Capital Stock of and obtaining the absolute control of all the said Companies

Now this Agreement Witnesseth, That in consideration of One Dollar lawful money to Each of them in hand paid the receipt whereof is hereby acknowledged the parties hereto do agree as follows

First The said Miller agrees to within days from the date hereof to deliver or cause to be delivered unto the parties of the second part the Charters of all the aforesaid companies their corporate Seals, books papers deeds maps plans Estimates, Stock Certificate books, Transfer books, Minute books Receipts, Accounts, Contracts and all other property of any and Every description belonging to or connected with the aforesaid Companies

Also the Shares of Capital Stock of said Companies subscribed for and the Certificates thereof duly Assigned to the parties of the Second part.

Said Miller also agrees to reorganize the said Companies by procuring the resignation of all the Officers and Directors thereof and the Election or appointment in their place and stead of such persons as the parties of the Second part may nominate. Such transfer and delivery to be made in a legal manner and Subject to the approval of the Attorney of the parties of the Second part.

The transfer and assignment of the said Shares of Capital Stock shall be absolute and free from all liens or claims in favor of any of said Companies or of any other corporation partnership or person, and the said Companies are to be turned over to the parties of the second part free from all debts and liabilities whatever actual or contingent except as herinafter set forth

The said Miller also agrees to procure the Execution and delivery of an Agreement by and between the Said Com-

panies, the stockholders thereof and the parties hereto of the Second part by which they shall agree to the said Assignment and transfer on the terms as herein provided with such reasonable guarantees and assurances as may be necessary to the proper performance of this Agreement

Second In consideration of the full and faithful performance of this Agreement by said Miller, the parties of the Second part agree to pay in full satisfaction thereof the following Sums of money, and Shares of Capital Stock, to the persons and at the times as follows:—

Fifteen thousand dollars ($15000) in cash to the said William H. Miller at the times and in the amounts viz Fifteen hundred dollars ($1500) at the time of the Execution and delivery of this Agreement

One thousand dollars ($1000) at such time thereafter as it may be called for by the said William H. Miller. It being Expressly Agreed that the said sum of One thousand dollars ($1000) is to be used only for the purpose of purchasing certain Capital Stock of the New Chester Water Company owned by one George H. Christian.

Two thousand five hundred dollars ($2500) on the due Execution and delivery to the parties of the second part of the Agreement to be made between them and the aforesaid Companies and the Stockholders thereof as hereinbefore provided

Five thousand dollars ($5000) on or before the Expiration of sixty (60) days from the date on which the aforesaid Agreement shall be fully and legally Executed and delivered.

Five thousand dollars ($5000) on or before the Expiration of ninety (90) days from the date on which the aforesaid Agreement shall be fully and legally executed and delivered.

Three hundred dollars ($300) to William Ward for legal services rendered to the said New Chester Water Company to date.

Six hundred and twenty Eight and Seventy five one hundredths (628\frac{75}{100}$) balance due the Commonwealth of

Pennsylvania for bonus on increase of Capital Stock of the New Chester Water Company.

The last two amounts to be payable after the due execution and delivery of the aforesaid Agreement

Thirty thousand dollars ($30000) by the delivery to the said William H. Miller of a Stock Certificate or Certificates representing that amount in the full paid shares of the Common Stock of the New Chester Water Company taken at their par value. Said Certificate or Certificates to be delivered to said Miller after the Water Works of said Company are fully completed.

It being expressly agreed that if such common stock is legally increased before the completion of said Works, through the direction or procurement of the parties of the Second part, that the said Thirty thousand dollars in Stock shall be augmented by a share of such increase bearing the same proportion thereto as the said sum of Thirty thousand dollars bears to Five hundred thousand dollars the present capitalization of the New Chester Water Company.

Five thousand dollars ($5000) to be used only in payment of an equal amonnt obtained from Mr. C. E. Hubbard by Malcolm Peters for the use of the New Chester Water Company of which sum four thousand dollars ($4000) was actually used by the New Chester Water Company and One thousand dollars ($1000) retained by Peters; the New Chester Water Company having given its receipt for the said sum of Five thousand dollars ($5000).

The said Miller agrees to use the last mentioned sum of Five thousand dollars ($5000) in adjusting and extinguishing the claim of the said Mr. C. E. Hubbard, and gaining the possession of the said receipt on the most favorable terms possible

Said Miller also agrees to render his aid and assistance from time to time, to the parties of the second part and the aforesaid Companies, when reorganized, in the suit now pending in the Supreme Court of Pennsylvania against the New Chester Water Company by the South Ward Water Works Company

of Chester and others and in any and all litigation that may Ensue through or by Malcolm Peters

It is agreed that the control of the said Companies and the transfer of the Capital Stock is made subject only to such liability as may result from the South Ward Water Company's Suit before mentioned and any litigation that may grow out of the Contract with Malcolm Peters and the New Chester Water Company, Also any debts which are to be paid by the terms hereof by the parties of the Second part

In Witness Whereof the said parties have hereunto set their hands and seals the day and year first herein written :—

WM. H. MILLER, [SEAL]
Attorney for The New Chester Water Company of Chester, Penna.

SAM'L R. BULLOCK & CO. [SEAL]
By C. WOLTMANN,
Atty.

Witnesses
ALFRED G. CHRISTY
A. J. GAVETT.

EXHIBIT F, Sept. 28, 89. E. Z. B.

THIS AGREEMENT Made this *ninth* day of *December* in the year One thousand Eight hundred and Eighty-six between *The New Chester Water Company The Penn Water Company The Upland Water Company* and *The South Chester Water Company* parties of the *first part* and hereinafter designated "*the Water Companies*" and *J. L. Forwood* of Chester, Delaware Co. Penna *John Dutton* of Chester, Delaware Co. Penna *Joseph T. DeSilver* of Chester, Delaware Co. Penna and *Wm. H. Miller* of Philadelphia Penna parties of the *second part* and hereinafter designated "*the Stockholders*" and *Samuel R. Bullock and William S. Mercer* composing the firm of *Samuel R. Bullock and Company*, Water Works Contractors of the City County and State of New York parties of the third part and hereinafter designated "*the Vendees*" WITNESSETH

WHEREAS the Water Companies are Each duly incorporated under the provisions of an Act passed by the General Assembly of Pennsylvania on the 29th April 1874 and Entitled "An act to provide for the incorporation and regulation of certain Corporations" and of the Supplements and Amendments thereto, and the stockholders are as hereinafter specified, the legal owners and holders of all the Shares of Capital Stock of the Water Companies

AND WHEREAS the Stockholders are desirous of selling their said shares of Capital Stock and of transferring and surrendering the absolute control of the Water Companies and the Vendees are desirous of purchasing and acquiring the same

Now therefore know ye that for and in consideration of the sum of one dollar lawful money of the United States of America Each to the other in hand paid the receipt whereof is hereby acknowledged the parties hereto do agree as follows :—

First. The stockholders jointly and severally and the Water Companies covenant promise and agree to and with the Vendees that the Water Companies are each duly and legally incorporated under and by virtue of the Laws of Pennsylvania as hereinbefore recited ; that the Capital Stock of the *New Chester Water Company* is Five hundred thousand dollars ($500,000) divided into Ten thousand (10,000) shares of the par value of Fifty dollars ($50) each ; that the following persons are severally the absolute legal owners and holders of the number of shares of the said Capital Stock set opposite their respective names as follows :—

J. L. FORWOOD . . . . . Sixty (60) shares
JOHN DUTTON . . . . . Five (5) shares
JOS. T. DESILVER . . . . . Five (5) shares
WM. H. MILLER . One hundred and ninety-five (195) shares

that the Capital Stock of the *Penn Water Company* is *One Thousand* (*$1000*) divided into *Ten* (*10*) *shares* of the par value of *One hundred dollars* (*$100*) Each and that the following persons are severally the absolute legal owners and holders of the number of shares of the said Capital Stock set opposite their respective names as follows :—

J. L. FORWOOD . . . . . Two (2) shares
JOHN DUTTON . . . . . Two (2) shares
JOS. T. DESILVER . . . . . Two (2) shares
WM. H. MILLER . . . . . Four (4) shares

that the Capital Stock of the *Upland Water Company* is *One thousand dollars* (*$1000*) divided into *Ten* (*10*) *Shares* of the par value of One hundred dollars ($100) Each and that the following persons are severally the absolute legal owners and holders of the number of shares of the said Capital Stock set opposite their respective names as follows :—

J. L. FORWOOD . . . . . Two (2) shares
JOHN DUTTON . . . . . Two (2) shares
JOS. T. DESILVER . . . . . Two (2) shares
WM. H. MILLER . . . . . Four (4) shares

that the Capital Stock of the *South Chester Water Company* is *One thousand dollars* (*$1000*) divided into *Ten* (*10*) *shares* of the par value of One hundred dollars ($100) Each and that the following persons are severally the absolute legal owners of the number of shares of the said Capital Stock set opposite their respective names as follows :—

J. L. FORWOOD . . . . . Two (2) shares
JOHN DUTTON . . . . . Two (2) shares
JOS. T. DESILVER . . . . . Two (2) shares
WM. H. MILLER . . . . . Four (4) shares

that all the said shares of the Water Companies owned as aforesaid have been fully paid up as required by law and that

no unpaid calls or assessments are due on them or any of them; that the aforesaid number of shares of stock of the Water Companies are the only shares paid up and for which Certificates have been issued and are outstanding and that no other shares have been subscribed for; that there are no liens or claims of any kind or nature against the aforesaid Shares or the Certificates representing the same or any of them either in favor of the Water Company or of any person partnership or corporation; that there are no liens or claims of any kind or nature actual or contingent against the Water Companies or any of them, nor are they or either of them subject to any liability whatever except as hereinafter specified; that the Water Companies have severally well and faithfully complied with the laws of the Commonwealth of Pennsylvania; that none of the stockholders are indebted to the Water Companies or either of them in any amount whatever; that there are no actions at law or suits in Equity pending against the Water Companies or either of them except as hereinafter specified.

Second The Stockholders covenant promise and agree to and with the Vendees to at once deliver or cause to be delivered unto the Vendees all the Charters, Certificates of Organization, books, papers, deeds maps, plans, Estimates, Stock Certificate Books, Transfer Books Minute Books, Receipts, Accounts, Contracts, the Corporate Seals and all other property of any and every description kind or nature belonging to the Water Companies or any of them or to which they may be Entitled

Also all the Capital Stock of the Water Companies and the Certificates representing such Capital Stock as has been subscribed or duly assigned to the Vendees

The Stockholders covenant promise and agree if the Vendees so request to at any time reorganize the Water Companies by procuring the resignations of all the Officers and Directors thereof and by the Election in their place and stead of such persons as the Vendees may nominate.

The transfer, assignment and delivery of the aforesaid property Capital Stock and Certificates representing the same shall be absolute and free from all liens claims debts or liabilities actual or contingent of any kind or nature in favor of any corporation partnership or person except as hereinafter specified

Third The stockholders and the Water Companies covenant promise and agree to and with the Vendees that in the event of the inability of them any or either of them to carry out the terms of this contract or in case of a breach by any or either of them of any covenant or covenants herein contained the Vendees shall have the right to cancel this Contract as to all the Stockholders and Water Companies or to require performance thereof so far as the Stockholders and Water Companies, or either of them are able so to do.

Fourth In consideration of the full and faithful performance of this Contract by the Stockholders and the Water Companies, the Vendees covenant promise and agree to enter into a contract with the Water Companies on terms to be arranged for the purpose of constructing Equipping and operating a system of Water Works for furnishing water to the places which the Water Companies are authorized by their charters to supply therewith and upon the Consummation of the said Contract that the Vendees will at once enter into and upon the construction of the said Works and complete and place the same in full operation with all due diligence. The Vendees further covenant promise and agree that they will use their best Efforts to obtain Contracts for public water supply to the places which the Water Companies are by their charters authorized to furnish water

The Vendees further covenant promise and agree that they will fully and faithfully comply with the terms of a *Contract* made by and between *William H. Miller* of Philadelphia Pennsylvania acting as the attorney of the New Chester Water Company and the Vendees bearing date November 18th, 1886, which contract it is understood and agreed was made

on account and for the benefit of the Stockholders *This Contract* being the one intended to be made according to the First Clause of the said contract with *William H. Miller.*

Fifth The Stockholders and the Water Companies jointly and severally covenant promise and agree that the said Capital Stock and property and the control of the Water Companies is to be transferred delivered and surrendered to the Vendees SUBJECT to the suit now pending in the Supreme Court of Pennsylvania between the Southwark Water Works Company and others and The New Chester Water Company and ALSO SUBJECT to any litigation that may arise out of the Contract heretofore made by and between The New Chester Water Company and Malcolm Peters. ALSO SUBJECT to such debts as the Vendees agree to pay under and by virtue of the aforesaid contract with William H. Miller but only to the extent of the payments agreed to be made thereby

Sixth The Stockholders and the Water Companies shall and will at any time or times hereafter upon the reasonable request of the Vendees make do and execute or cause or procure to be made done and executed all and every such further and other lawful and reasonable acts conveyances and assurances in the law for the better and more effectual performance of this Contract according to the true intent and meaning thereof as by the Vendees or their Counsel learned in the law shall be reasonably devised advised or required

Seventh It is expressly agreed that this Contract shall be binding on the successors personal representatives and assigns of the respective parties and that the recitals herein contained are made on behalf of the Stockholders and the Water Companies

In Witness Whereof the Water Companies have caused these presents to be sealed with their respective Corporate seals and signed by their respective Presidents and Secretaries

and the Stockholders and the Vendees have hereunto set their hands and seals the day and year first above written

THE NEW CHESTER WATER COMPANY

J. L. FORWOOD
President.

[SEAL]

Attest:

W. H. MILLER
Secretary

Sealed and delivered in the presence of
GEORGE NOBLIT
AMOS T. WILLIAMS

THE NEW CHESTER WATER COMPANY
by its Stockholders

J. L. FORWOOD	[SEAL]
JOHN DUTTON	[SEAL]
JOSEPH T. DESILVER	[SEAL]
W. H. MILLER	[SEAL]

THE PENN WATER COMPANY

J. L. FORWOOD
President

[SEAL]

W. H. MILLER
Secretary

Witnesses present:
GEORGE NOBLIT
AMOS T. WILLIAMS

THE PENN WATER COMPANY
by its Stockholders

J. L. FORWOOD	[SEAL]
JOHN DUTTON	[SEAL]
JOSEPH T. DESILVER	[SEAL]
W. H. MILLER	[SEAL]

THE UPLAND WATER COMPANY
J. L. FORWOOD
President

[SEAL]

W. H. MILLER
Secretary

Witnesses present:
GEORGE NOBLIT
AMOS T. WILLIAMS

THE UPLAND WATER CO.
by its Stockholders

J. L. FORWOOD [SEAL]
JOHN DUTTON [SEAL]
JOSEPH T. DESILVER [SEAL]
W. H. MILLER [SEAL]

THE SOUTH CHESTER WATER COMPANY
J. L. FORWOOD,
President

[SEAL]

W. H. MILLER
Secretary

Witnesses present:
GEORGE NOBLIT
AMOS T. WILLIAMS

THE SOUTH CHESTER WATER CO
by its Stockholders

J. L. FORWOOD [SEAL]
JOHN DUTTON [SEAL]
JOSEPH T. DESILVER [SEAL]
W. H. MILLER [SEAL]

EXHIBIT B1, Sept. 28, 89. E. Z. B.

"No. 425 Chestnut St.,
PHILADA., Sept. 11, 1886.

Mess. Saml. R. Bullock & Co., 11 Wall St., New York City,

DEAR SIRS:—I am in receipt of your esteemed favor of 10th inst. covering inquiries of Chas M. Berrian, Esqr.,—and have also to acknowledge receipt to-day of book and papers per Express.

I now beg to inclose herewith such documents and papers as I hope will entirely cover the line of questions presented by your Mr. Berrian—but in event of their being not *thoroughly* satisfactory kindly command me, and I will *get* anything that you desire—these cover all I can now place my hands upon at the immediate moment.

No. 1: *Proof of publication.* These are *filed* in Harrisburg —not returned to the Company—and for the moment I enclose one copy of the papers containing published notices for all the four charters—together with blank form, which were duly and regularly forwarded—and upon the *receipt* of which at Harrisburg the Charters were issued—(the *presence* of the Charters or *Letters Patent*, heretofore sent you for examination,—being *proof* that all these matters had been *complied* with).

If, however, you *prefer us* to show the advertisements in copies of all the newspapers of that time, we can get them, and even will have a deposition made to the fact if needful.

No. 2: *Proof of Registry:* We have no formal *acknowledgment* from the Auditor General's office of the receipt of our Registry—but as I had some little trouble at the time over our New Chester Co. Registry through failure of blanks to reach us I enclose one letter from the Auditor General of that time—together with copy of mine of inquiry (dated July 3, 1885)—and also my reply of July 7, 1885, in acknowledgment of his of 5th inst. and enclosing this Register now inquired about. The Registry required for the Borough Companies was sent a few days earlier, and the fact that they had been required caused me to make my inquiries of July 3, above referred to. Our Companies are all in regular form in this particular, but if you wish any proof from Harrisburg we will give immediate attention.

No. 3. Receipts for Bonus, &c. I beg to enclose our Treasury Vouchers holding official receipts covering all fees and bonus charges on the New Chester Co. for the original Capital $20,000 and afterwards increased to $500,000. Also, one voucher for each of the *Borough* Cos. *fees and bonus.*

No 4. Tax Receipts. I paid considerable attention to this

matter and enclose a letter of December 9, 1885, from Auditor General Niles on the subject of *Tax* of the City Company—also, letter of December 17th, 1885, from our counsel Hon. Wm. Ward—together showing about what we proposed to do—and the Report was accepted by the Department—bill rendered—and paid—same with receipts accompanying—as well also for the Borough Companies—which we have allowed to stand at a value of $1,000 each in all matters connected with the State.

I have *small Minute books* of the *Borough Company* organizations; everything in and about them has been carried with the same *care* as to *correctness*, and I can forward any or all matters you may desire to see concerning them.

Concerning *Malcolm Peters*—it has been my wish as far back as last Christmas to attack him in the Courts—bring suit for damages, and injunction to prevent him from doing anything—but Mr. Ward (our Counsel) and Dr. Forwood have urged the *opposite position*—we do remain passive and allow him to attack us—to which plan I finally agreed; but last winter when matters were fresh in my mind I prepared a rather *lengthy* statement in a *Courts Martial* form, which had *we* decided to attack, would have been the basis for the preparation of a bill—and I have, upon looking it over, concluded it will *tell the story* from beginning to end—allow me to beg pardon for inflicting such a job on you or your worthy Counsel—*to read it*—but hoping you may gain valuable points from its contents I submit it as it is. Of course you understand I was claiming *damages*—which were only *imaginary*—and *Mr. Peters never* to our knowledge had a single penny charged to Co. account anywhere.

We have always stood ready to comply, but *Mr. Peters* always wanted to make some *outside dicker* which would, had we agreed, have broken the already too liberal contract. His whole object seemed to be to gain control and then to *sell out* to the *Chester* people who have all along been opposed to us.

I found to-day the memo. of Land purchase;—*Original* with Counsellor Ward, who says it *holds good* if we want the land. Also find *memo.* of pumping station bought on Ches-

ter Creek—and also a circular of land offered *for sale* on other side of our reservoir purchase—showing our cost at $400 to have been a bargain. The sites were *both* surveyed.

Kindly acknowledge and return when through with inclosures, and oblige Sincerely yours

W. H. MILLER."

EXHIBIT B2, Sept. 28, 89. E. Z. B.

" No. 425 Chestnut St.,

PHILADA., Octo. 21, 1886.

Mess. Saml. R. Bullock & Co. No. 11 Wall St., New York City.

DEAR SIRS:—I am authorized by my colleagues to offer the entire control and full surrender of the Capital Stock of $500,000, with the charters and franchises, of The New Chester Water Company—together with the entire Capital Stock and franchises of each of the Three Borough Companies, under control of the aforesaid Company, and the direction and positions in each and all the *four Companies*—under and subject to the contract of Mr. Malcolm Peters, and the appeal of the City of Chester and South Ward Water Company now pending in the Supreme Court of this State, and inclusive of counsel fees—for the sum of Fifty thousand dollars, payable as follows:—

$20,000 in Cash—payments as may be arranged.

$30,000 in 600 shares Capital Stock of The New Chester Water Company at present issue par value of $50 per share—deliverable in such certificates as may be desirable to us.

All further indebtedness, including all claims under any portion of the 300 shares, present issue of the Capital Stock of said Co., together with the claim of Geo. H. Christian Jr. for engineering services—and the balance of bonus ($628.75) due the State—to become at once due and payable from out of the foregoing amount of Cash and Stock named as the price aforesaid. Very truly yours,

W. H. MILLER,

Acting as Attorney for the Executive Com. of the New Chester Water Company."

EXHIBIT B3, Sept. 28, 89. E. Z. B.

"425 Chestnut St.,

PHILADA., Octo. 28, 1886.

DEAR SIRS:—I am pleased to report that I have recovered and canceled the *10 shares* of Stock delivered for acct. pumping station—and which with *25 other* shares just canceled—leaves now a total issue of only *265 shares* in our absolute control, there being now in *my* name and by powers attorney *200 shares*—in Dr. Forwood *50*—in Dutton *5*—and in Christian *10 shares* (of this latter I hold a proxy to vote).

With no debts or judgments—and a complete *mastery* as per above statement—I feel you are entirely safe to proceed.

Very sincerely,

W. H. MILLER.

Mess. Saml. R. Bullock & Co."

EXHIBIT B4, Sept. 28, 89. E. Z. B.

"No. 425 Chestnut St.,

PHILADA., Novem. 8, 1886.

Mess. Saml. R. Bullock & Co., New York City,

DEAR SIRS:—I failed to receive yours of 5th inst. until this noon—the address '425 Chestnut' having been omitted, and there are quite a number of my name here—consequently delaying delivery to find the *right Miller.*

From the tenor of your said letter—and also the dispatch of last week—I infer that the price named in my proposition has been favorably received—and that you now only wait the detailed report of Mr. Fuller—and which I note you expected to have received last Saturday and then proposed addressing me.

Now I do not wish to hurry you too much, but *curiously enough* when your letter was handed me I had just received a visit from *2* of Chester's prominent citizens,—who were on another of their errands of effort at a consolidation—and I can readily see that the intimation must have gone abroad that

we are working up a new deal successfully—and they are becoming scared again—and feel anxious to buy our charters. These are the parties close to *Dr. Forwood*, and naturally with *all his* interests there he would lean toward such people—hence, I don't want my deal interfered with, and only fear a continued delay on your part would cause pressure to be brought upon me to consider a proposition from that source—and which I am extremely anxious to avoid—therefore trust I may *see you* or hear by to-morrow or next day at latest, so the thing can be *tied up* for good.

In haste

Yours truly,

W. H. MILLER."

EXHIBIT G, Sept. 28, 89. E. Z. B.

Answered Nov. 26, 1886.

No. 425 Chestnut St.

PHILADELPHIA, Novr. 24, 86.

Mess. Saml. R. Bullock & Co., New York City.

DEAR SIRS:—I am in receipt of your Esteemed favor of 23 inst covering Certified Copy of the Agreement of 18th inst. last—together with Check to my order for $1500—same being the ten per cent agreed upon as down payment—

You however, *omitted* to send the 2 other Checks arranged for with Mr. Bullock—*$300* for Hon. Wm. Ward—and *$628.75* due the State—the latter being *offered* me the evening I called at your office, but declined with understanding it should come over among the first monies,—your Mr. Bullock desiring THAT PAYMENT to be especially made *at once & before* any agitation of the subject of further increase of Capital & which I am *now ready* for.

I met *Mr. Ward* here yesterday—and informed him of the desire to proceed & that a check would be here *today* for him—In the *absence* of instructions I dont know whether you wish me to *order Mr. Ward* to proceed immediately—He tells

me it is of greatest importance that action should be commenced—

I would thank you for *wired* instructions in this matter on receipt, as *tomorrow* will loose another day for business this week—

Very Sincerely yours

WM. H. MILLER,

Atty for The New Chester Water Co

EXHIBIT H, Sept. 28, 89. E. Z. B.

No. 425 Chestnut St.

PHILADA Nov. 27, 86.

Mess. Saml. R. Bullock & Co: New York City:—

DEAR SIRS:—As advised by wire, I am in receipt of your esteemed favor of 26 inst covering checks $300 for % Hon. Wm. Ward & $628.75 balances of bonus due the State—and beg to report that I have already paid Mr. Ward & enclose herewith his receipt in full for services to date--and I send by this mail the $628.75 to Hon. Jerome B. Niles, Auditor Genl. of State, for settlement due the Commonwealth & on receipt of his acknowledgment will forward same to you—Mr. Ward informs me that he is DAILY expecting a pamphlet to be served on him by the opposing counsel—when the battle will be opened—he assuming the defensive.— He tells me he desires to commence for our side another action—but which I felt it wisdom to delay until we are in possession of *instructions* from your attorney as to his desires in the transfer of possession from our *stockholders* to yourselves Mr. Ward understands the delay is occasioned by the absence of your *Mr. Bullock* & he will stand ready to act instantly upon my information that final agreements have been executed.— I secured a preliminary meeting of stockholders on 24th inst & have already an *unanimous vote* of the total issue (265 shares) to carry out anything I need or ask whenever you are ready—Kindly hasten this part—I am exceedingly anxious to have everything tied tightly before any LEAK OCCURS & oblige

Very Truly

W. H. MILLER

Atty.

EXHIBIT K, Sept. 28, 89. E. Z. B.

No. 425 Chestnut St.
PHILADA Nov. 30, 86

Mess. Saml. R. Bullock & Co: New York City

DEAR SIRS:—I beg to enclose herewith *State Treasurer's* receipts as follows:—

% New Chester Water Co:—bal. bonus %	. . . .	$625 00
% Penn Water Company	do:	1 25
% Upland Water Company	do:	1 25
% South Chester Water Company	do:	1 25
In all amounting to	. . . . .	$628 75

Kindly acknowledge receipt—nothing new and everything quiet, awaiting your promised instructions

Very Sincerely

W. H. MILLER

EXHIBIT L, Sept. 28, 89. E. Z. B.

No. 425 Chestnut St
PHILADA Decem 1, 86

Mess. Saml. R. Bullock & Co: New York City

DEAR SIRS:—I managed to obtain the information today that *Malcolm Peters* has actually signed some papers in connection with the 13 County Scheme—and that they are in possession of a lawyer of this City—who tells my informant that a certain firm of Boston named *Brooks & Nichols*, together with our well known lawyer *Jno. C. Bullitt Esq* were the parties who were dickering—BUT—that the deal is now *off* & possibly past redemption—The scheme involved *$600.000.* of Bonds—and that the whole idea of value seemed to be expressed in their absolute conviction that in a short time they would control the franchises of our New Chester Co:— That

the SCHEMES of those 13 Companies *always entertained* this idea from the beginning I am very well assured—not only from their actions but they have deliberately so stated—and I am satisfied they have felt if they could not scare us into selling to them—they would wait their time & by their local influence beat us in securing new Charters—Their *surprise* when YOU appear will be delightful to behold—and when you need active help in RUBBING IN the DISAPPOINTMENT, COUNT ON US.

I learn the *old Company* has commenced laying mains *down 3d St.* toward the South Borough lines—*Hurry down* & make them feel sick!!—they CAN'T supply the Borough—with our Charter ahead of them!!—

Hastily &c

W. H. MILLER.

P. S. The question of a Chester office has been on my mind—*We* have always used the Mayors office—*Malcolm Peters* rented an office in the Beale Block near the Depot & where it would not look well for us now to locate. Office rooms on *Market St* between the Depot and 3d St—are really scarce where an office for the Co. ought to be located—and in our joint best interests I inquired of a relative who owns 2 stores & the dwelling overhead—on Market St. ½ block from Depot & opposite the new Hotel Cambridge where we met Mr. Fuller—a most capital & central location—needing paint & paper badly—but I find the dwelling part *can be rented!!*—The stores have long time tenants & they cant be disturbed—but the DWELLING ABOVE has about 7 rooms on the 2 floors—several large & light & I think very suitable & which *can* be had *low!*—and *sublet* those not needful to retain Please suggest what you care to pay & I will make further inquiry if you agree.—

Very Truly

W. H. MILLER.

EXHIBIT K½, Sept. 28, 89. E. Z. B.

Saml. R. Bullock, Esq.

DEAR SIR:—Agreeably with understanding I beg to enclose the opening proposition of our Syndicate & whilst my people are nearly down to *hard rock*—I have found Dr. *Forwoods* ideas of price somewhat improved owing to another late move of some Chester people on him to effect a combination with the old Company—& whilst they offer nothing new—yet it has elevated his ideas—and results in our naming $50,000—which is higher than I counselled— I agreed to make the proposition in present shape feeling assured it will bring forth an expression of opinion from your house which will guide further action on our part.

The stock portion is not counted upon as of much value—the idea being to reach if possible *$15.000* in Cash above all Costs in order that Dr. Forwood could realize a *$5.000* interest (or ⅓)— Dutton is more modest—and I have not yet expressed myself—being ready to make a *success* of the deal with you— I could not say whether your positions suggested would be *honorary* or *for pay*, but inclined to latter—hence that idea did not weigh for much at the moment—

We don't owe anything beyond the matters recited in the proposition—and of present stock, I have now in my own name & by power attorney 225 shares—50 are in Dr. Forwood & 5 in Dutton leaving but 20 to account for & 10 of these to be returned & cancelled—the 10 remaining shares are in Mr. *Christian* the friend of Malcolm Peters and father of the Engineer—and we have decided it unwise to open the subject of settlement with either father or son until further ahead—so as not to get *Mr. Peters* excited—besides which I hold in my *name* Mr. *Christians* PROXY to vote his 10 shares, (which he has forgotten)—as well as all the outside shares of the others—

We will continue some of my friends in their stock—they are *true & tried*—will vote for anything or do anything I may ask—without hardly question—& this you can depend upon—

Under our Laws our Capitalization can be increased—or the Borough Cos. can be increased to any desired amount

($100.000 has been suggested for each—which with the City Co. bonds of $250.000 would produce a total of $400.000 bonds allowable by Law)—

In my conversations—I have been *bearing* the cash portion of the proposition—and whilst I might secure a reduction—it would not be without some disappointment—but I am in this deal *to win*—and you can address me confidentially and fully on the subject—and you will find me returning in kind—as I am exceedingly anxious to close out and turn my attention to other & newer matters—but which would not prevent proper & careful attention to any future wants you may have of my *personal service.*

Very sincerely yours

W. H. MILLER.

P. S.—Trust your Mr. Fuller enjoyed his visit— We are all much pleased with him—

MILLER.

EXHIBIT M, Sept. 28, 89. E. Z. B.

425 Chestnut St.
PHILADA Decem 2, 86

Mess. Saml. R. Bullock & Co: New York City

DEAR SIRS:—I am in receipt of your favor of 1st inst & note contents—

I have delayed reporting my receipt from the State Treasurer of the November blanks for *Taxation,* until I had received the Borough blanks from Mr. DeSilver & now having the forms for all the 4 Companies in hand beg to enclose one of their regular Circulars for examination—Of course I shall do nothing in this matter until you are ready & whilst we have thus far kept our taxes *down* to a *minimum*—yet if you will permit me—I would suggest that these present returns had better be made out in accordance with the requirements of *Sec. 5* of the "Corpn. Amendt. Act of 1883"—wherein the works of a Company are required to be commenced within 2

years & one quarter of its Capitalization *made* FULL PAID—thus arranging to pay taxation on such amount in order that the Status of our Companies may be strengthened in Harrisburg *before next* SPRING—In connection with this suggestion, I must add, I have read *opinions* by Philada Lawyers—who claim that said Section 5 is "*inoperative, unconstitutional* and *void*" because of the immediately preceding section, *4*, declaring that "nothing in this Act contained shall be construed to repeal &c the Act of April 29, 1874" & that the said Section 5 *does expressly contradict* said General Act & that therefore its conditions cannot be maintained—BUT—as long as such *lame* Legislation EXISTS, and as you doubtless desire to avoid all possible questions, have concluded to call your attention to it.—The same opinions take the ground that the *acceptance* of the taxes paid by any Corporation to the State—CONTINUES the Charters good beyond the said period of 2 years—*provided* no other applications for similar Charters are entertained by the State—and no injustice is done by their continuance without *actual work* having been commenced within 2 years.—

With the full knowledge that our "*beloved friends*" PETERS ET AL—intend, if the slightest chance offers—to knock our franchises—my thoughts have been constantly on the alert to prepare the way for so thorough protection that they will not have a ghost of a show—and trusting you will pardon my freedom in making suggestions, crediting same to an intense desire for *big victories* at all points of our lines

I am Very Sincerely Yours

W. H. MILLER.

If you would like—I can slip off copies of opinions referred to & mail them to you— M.

EXHIBIT N, Sept. 28, 89. E. Z. B.

Personal

425 Chestnut St.
PHILADELPHIA, Decem 7, 86

Saml. R. Bullock Esqr.

DEAR SIR:—I trust you will pardon my anxiety to close the business portion of my arrangement with our Co:—I feel the responsibility upon my own shoulders of carrying the entire deal to a success—and as I am painfully aware of the fact that nothing can be done in a place like *Chester*—which will *not leak out* in very short order—I DO want to get all the SIGNATURES needful without any delay—As far as *completing* the DELIVERY is concerned—I am with you—in any TEMPORARY DELAY you desire—I am in *no hurry* to reach the *money*—all I want is—now—to have ourselves in absolute control—and if you can possibly have your attorney send me the agreements you desire signed—& the resolutions or papers you wish adopted—I will have immediate meeting & complete the transfer from stockholders to myself as attorney for you—or as you may instruct—& then the SETTLEMENT can be taken up LATER—I will have much to do in arranging papers, which I can readily delay if more convenient to your present pressure of business—

Another point—*Mr. Ward* ought to be instructed to "GO AHEAD"—& am afraid the delay is not good in his matters—I told him to wait my instructions & the close of transactions—we can't tell what those "THIEVES" might attempt in Chester backed by Peters if we opened out before all is closed up with you—

sincerely

W. H. MILLER.

35

EXHIBIT O, Sept. 28, 89. E. Z. B.

Ansd 12, 11, 86. 425 Chestnut St.

PHILADA Decem 10, 86

Mess Saml. R. Bullock & Co: No. 11 Wall St. New York City

DEAR SIRS:—I received, yesterday, per hands of your attorney, Chas. M. Berrian Esqr. the desired *Agreement* for Signatures of our Companies and the Stockholders—and wired him acknowledgt.

Yesterday afternoon I went to Chester & we held Stockholders FINAL meetings authorizing the execution of said Agreement—and this morning I went down a second time to complete the deliveries of some needed papers—& on return wired you that I had succeeded in securing final surrenders today—I am unable however in the short while left me to fully complete the Agreement today—the blanks to be filled and I forgot we had no Borough *seals* but which I ordered immediately and have a promise of speedy delivery of all *3* needed—Will therefore delay forwarding any papers until the Agreement is properly Completed and Sealed—

My anxiety is now practically ended—& although plenty of work is yet ahead—I am happy to say the entire *four* Company organizations are in my possession as attorney for transfer subject to your instructions—and I have the resignations in hand of all the Officers, Boards of Directors &c &c. with everything in good shape and as I understand you desire it.—

Settlement of the *young* Mr. Christian % altho. letter was prepared, as I advised you, we have concluded *best* to defer until among the last things—satisfied we cannot be damaged by the temporary delay—

Mr. Ward was absent from Chester, and I have arranged to meet him tomorrow (11th) when I will obtain full explanations desired by your Mr. Berrian & will write fully or have *Mr. Ward* do so immediately.

I would like to get over to your City on Monday next—but am uncertain—I would be exceedingly obliged if you will wire me what days of next week your Mr. Bullock will be at the office—as I will arrange my coming to suit his presence in your City— Faithfully yours

W. H. MILLER

EXHIBIT P, Sept. 28, 89. E. Z. B.

425 Chestnut
PHILADA Decem 13 1886

Mess Saml R. Bullock & Co: New York City—

DEAR SIRS:—As advised you by wire—I beg to enclose communication from *Mr. Ward.*

I did not succeed in *seeing* Mr. Ward in person—but sent him word to explain position for your Mr. Berrian—and I notice I have *misunderstood* his late conversation—in that he *desires* to assume the *offensive*—because nothing has been done by the opposite side—when he explained about a "PAMPHLET" I am now free to suppose he meant "*ruled him to file answer*"—and his present letter shows wherein he has impressed me with the idea "*he ought to be instructed to go ahead*"—as he has frequently within the past 3 months urged active movement in preparation to meet the case—without specially stating *what* was necessary—further than, I think, the appointment of a Master & preparation of papers—

I hoped to have *seen him* & gotten down to the marrow of his wants, *in detail*, but have been unable up to this moment—I will now make special effort before I come over & when I meet Mr. Bullock will be better prepared in event your *Mr. Berrian* needs further explanations

I rather expect to make a trip to BOSTON last of this week, with a couple Philaa. Capitalists—*if so* will be in your City *Friday 17th.* between about *11 A. M.* to *3 P. M.* but *prefer* to meet *Mr. B. before that day*, as our interview may be prolonged or those hours *not suit him.*—

Very Truly

W. H. MILLER

P. S. I want to see MR. HUBBARD in Boston, if possible—*accidental like !!*

EXHIBIT B5, Sept. 28, 89. E. Z. B.

"No. 425 Chestnut Street,

PHILADELPHIA, April 6th, 1887.

Mess. Saml. R. Bullock & Co., New York City.

DEAR SIRS:—I am in receipt of your valued favor of 5th inst. covering checks $83 and $1373.75, and have already forwarded the Auditor General $23 to pay the taxes, and the Sec'y of State $60 to pay fees for recording the increase of Capital acct. So. Chester and New Chester.

The cheque $1373.75 I cannot forward until I secure the return of Prest. Forwood as to *completion* of such increase—but which I hope to have by *to-morrow* and will forward all to Harrisburg at same moment. Enclosed please find Mr. Berrian's letter returned as requested.

I have been regularly forwarding receipts and papers to Mr. Berrian. Mine of 4th covering $60 fee receipts has not been acknowledged—but supposed it received O. K.

Mr. Berrian mentions supposition your Mr. Bullock has written 'as to how he missed' me. This reads like so much *Greek.* Kindly explain. I have been *praying* to hear from Mr. Bullock, as my *rope* is about out, and I am prepared for settlements which I am unable to make and the relief promised by Mr. Mercer I am sadly in need of.

Very truly, &c.,

W. H. MILLER."

EXHIBIT Q, Sept. 28, 89. E. Z. B.

ARTICLES OF AGREEMENT made this *twenty-first day of March* in the year *One thousand eight hundred and eighty-seven Between Samuel R. Bullock* and *William S. Mercer* composing the firm of *Samuel R. Bullock and* Company, *Water Works Contractors* of the *City County* and *State of New York*, parties of the first part and hereinafter designated "*The Contractors*" and the *New Chester Water Company* a *Pennsylvania Corporation* party of the second part and hereinafter designated "*The Water Company*" *Witnesseth*

WHEREAS, the Water Company was incorporated for the purpose of supplying water to the *City of Chester, Delaware County Pennsylvania*, and to its inhabitants

AND WHEREAS, the *Contractors* have offered to construct equip and operate the works of the Water Company in accordance with the terms of a *formal proposal* made by them to the Water Company, and bearing date the *nineteenth day of March A. D. 1887* which proposal has been accepted by the Water Company.

Now This Agreement Witnesseth That for and in consideration of the sum of One Dollar, lawful money of the United States of America, each to the other in hand paid, the receipt whereof is hereby acknowledged, the parties hereto do mutually agree as follows:—

First: The Contractors covenant promise and agree to and with the Water Company, that they will at their own proper cost and expense, furnish all material and labor necessary to construct and equip a system of Water Works, at and near Chester, Pennsylvania in the manner and according to the plans and specifications prepared by the *Chief Engineer* of the Water Company, which plans and specifications are hereby expressly made and are to be taken as a part of this Contract. The said Works are to be completed and ready for operation on or before the first day of January 1888

Second: The Contractors further covenant promise and agree that they will furnish at their own expense all lands necessary for the location of engine and boiler house and Reservoir site. Also all water rights and rights of way and other property requisite for an abundant supply of pure water. *The Water Company* hereby expressly covenants promises and agrees that it will on the request of the Contractors proceed to exercise its right to condemn any lands, water rights, rights of way or other property which said Contractors may designate, but only at the proper cost and expense of the said Contractors and without thereby waiving its, the Water Company's right to reject said lands, water rights, rights of way or other property in case of a failure of the Contractors to perform the terms of this Contract on their part.

Third: After notice of the completion of said works, the Water Company covenants promises and agrees to promptly cause an inspection and test of the same to be made in such manner but at its own cost and expense as shall satisfy it that said Works are constructed and equipped in accordance with the terms of this Contract. And shall then accept the same by a Resolution of its Board of Directors, but in case of a failure by the Water Company to cause such inspection and acceptance to be made within ten days after notice as aforesaid is given said Water Works shall be deemed and taken to have been accepted by the Water Company as being constructed and equipped in full conformity with the terms of this Contract

Fourth: The Contractors covenant promise and agree that they will convey transfer and deliver the said Water Works and other property to the Water Company free of and unencumbered by any liens for the benefit of laborers mechanics or material men.

Fifth: The Contractors covenant promise and agree that they will operate and maintain the said Works at their own proper cost and expense for the period of calendar months from the date of their acceptance by the Water Company; that they will and do hereby assume and agree to pay all the ordinary running expenses of the Water Company including the salaries of officers agents and employees, and the interest on the bonds hereinafter referred to, as evidenced by coupon number one attached to said Bonds, all expenses for repairs and replacements to said Works that may become necessary from Ordinary wear and tear only hereby expressly excepting any and all repairs replacements or additions which may become necessary by reason of damage by the elements or failure to cover the same by the requirements of the plans and specifications aforesaid or by reason of any other cause whatever, except as aforesaid.

Sixth: The Contractors covenant promise and agree that they will use their best efforts to procure a settlement of the suit now pending in the Supreme Court of Pennsylvania be-

tween the City of Chester and the South Ward Water Works as Complainants, and the Water Company as Defendant and to acquire or procure the extinguishment of the right of said City of Chester and South Ward Water Works to furnish water on such terms as may be approved by the Water Company. The Contractors shall also use like efforts to procure a Contract with the City of Chester for a supply of water for public uses, the terms to be approved by the Water Company.

Seventh: The Water Company hereby covenants promises and agrees in consideration of the performance of the aforesaid covenants on the part of the Contractors to pay and deliver to them, and the Contractors agree to receive in full satisfaction of the same Five Hundred Thousand Dollars in First Mortgage six per cent Thirty Year Sinking Fund Gold Bonds of the Water Company secured by a first Mortgage on all the property and franchises of the Water Company as authorized by Resolutions of its Stockholders and Board of Directors passed March 21st A D 1887, and seventeen thousand (17000) Shares of its Common Capital Stock of the par value of $50 each.

The said Bonds and Stock to be paid and delivered to the Contractors in the manner as follows:—On the first day of each month the Chief Engineer of the Water Company shall issue to the Contractors an estimate of the material and property furnished and labor performed under the terms of this Contract to date and the Treasurer of the Water Company shall endorse thereon a requisition on the Company for the number of the aforesaid Bonds and Shares of Stock to which in his opinion the Contractors are entitled, and on the presentation and surrender of said estimate and requisition to the Water Company it shall deliver to the Contractors the number of Bonds and Shares of Stock therein called for.

The Treasurer of the Water Company may from time to time in his discretion and on proof to his satisfaction of the assumption of any Contract by the Contractors for labor, materials or other property to be done or furnished in connection herewith or in any way relating hereto, or necessary in

his discretion for the performance of any provision of this Contract pay and deliver such number of said bonds or Shares of Stock or both as he in his discretion may deem the needs of the Contractors require. On the completion and acceptance of the Works as aforesaid, the Treasurer of the Water Company may in his discretion on presentation of the final estimate and requisition as aforesaid pay and deliver to the Contractors all of the remaining Bonds and Shares of Stock, or he may retain such portion of both or either as he in his discretion may consider proper to secure the performance of the terms hereof on the part of the Contractors in respect to the maintenance and operation of the said works as hereinbefore provided.

This Contract shall be binding on the successors, personal representatives and assigns of the respective parties

In Witness Whereof, The Water Company has caused these Presents to be signed by its President, and Secretary, and its Corporate Seal to be hereto affixed and the Contractors have hereunto set their hands and seals the day and year first above written.

EXHIBIT R, Sept. 28, 89. E. Z. B.

ARTICLES OF AGREEMENT made this *twenty first day of March* in the year One thousand eight hundred and *eighty seven Between Samuel R. Bullock* and *William S. Mercer* composing the firm of *Samuel R. Bullock and Company Water Works Contractors* of the *City County and State of New York*, parties of the first part, and hereinafter designated "*the Contractors*" and *The South Chester Water Company* a Pennsylvania Corporation, party of the second part and hereinafter designated "*The Water Company*" *Witnesseth*

WHEREAS the Water Company is authorized to supply water to the *Borough of South Chester*, *North Chester* and *Upland* in Delaware County Pennsylvania and to their inhabitants

AND WHEREAS, the Contractors have offered to construct equip & operate the works of the Water Company in accordance with the terms of a formal proposal made by them to the *Water Company* and bearing Date the nineteenth day of March A D 1887 which proposal has been accepted by the Water Company

Now This Agreement Witnesseth, that for and in consideration of the sum of One Dollar lawful money of the United States of America each to the other in hand paid the receipt whereof is hereby acknowledged the parties hereto do mutually agree as follows:

First: The Contractors covenant promise and agree to and with the Water Company that they will at their own proper cost and expense *furnish all material and labor* necessary to construct and equip a system of Water Works at the places aforesaid in the manner and *according to the plans* and specifications prepared by the *Chief Engineer* of the *Water Company* which plans and specifications are hereby expressly made and are to be taken as a part of this Contract. *The said Works* are to be completed and ready for operation on or before the first day of January 1888.

Second: The Contractors further covenant promise and agree that they will furnish at their own expense all necessary lands and *also all water rights and rights of way* and *other property* requisite for an abundant supply of pure water. The Water Company *hereby expressly covenants promises and agrees* that it will on the request of the Contractors proceed to exercise its right to *condemn any lands* water rights rights of way or other property which said Contractors may designate, but only at the proper *cost and expense* of the said Contractors, and without thereby waiving its, the *Water Company's* right to reject said lands, water rights, rights of way or other property in case of a failure of the Contractors to *perform the terms* of this Contract on their part

Third: After notice of the completion of said Works, the Water Company covenants *promises and agrees* to promptly cause an inspection and test of the same to be made in such manner but at its own cost and expense as *shall satisfy it* that said Works are constructed and equipped in accordance with the terms of this contract, and *shall then accept the* same by a resolution of its Board of Directors, but in case of a failure by the Water Company to cause such *inspection and acceptance* to be made within *ten days* after notice as aforesaid is given, said Water Works shall be deemed and taken to have been accepted by the Water Company as being constructed and equipped in full conformity with the terms of this contract

Fourth: The Contractors covenant promise and agree that they will convey transfer and deliver the said Water Works and other property to the *Water Company* free of and unencumbered by any liens for the benefit of laborers mechanics or material men.

Fifth: The Contractors covenant promise and agree that they will operate and maintain the said Works at their own proper *cost and expense* for the period of Calendar months from the date of their Acceptance by the Water Company, that they will and *do hereby assume* and agree to pay all the ordinary running expenses of the Water Company, including the salaries of officers agents and employees and the interest on the *Bonds hereinafter* referred to as evidenced by Coupon number One attached to said Bonds, all expenses for repairs and replacements to said Works that may become necessary from ordinary wear and tear only, *hereby expressly excepting any and all repairs* replacements or additions which may become necessary by *reason of damage* by the elements or failure to cover the same by the requirements of the plans and specifications aforesaid or by reason of any other cause whatever, except as aforesaid.

Sixth: The Contractors covenant promise and agree that they will use their best efforts to procure a contract for a

supply of water for public uses to *each of the Boroughs* which the Water Company is authorized to furnish with water upon terms to be approved by the said Water Company.

Seventh: The Water Company hereby covenants promises and agrees, in consideration of the performance of the aforesaid covenants on the part of the Contractors to pay and deliver to them, and *the Contractors agree* to receive in full satisfaction of the same *Three hundred Thousand Dollars* in First Mortgage six per cent Thirty Year Sinking Fund Gold Bonds of the Water Company secured by a First Mortgage on all the property and franchises of the Water Company as authorized by resolutions of its *Stockholders* and *Board of Directors* passed March 21 A D 1887 and nineteen Hundred and ninety (1990) Shares of its Common Capital Stock of the par value of $100 each. *The said Bonds and Stock to be paid* and delivered to the Contractors in the manner as follows: On the first day of each month, the *Chief Engineer* of the Water Company shall issue to the Contractors an estimate of the material and property furnished and labor performed under the terms of this Contract to date, and *the Treasurer* of the Water Company shall endorse thereon a requisition on the Company for the number of the aforesaid Bonds and Shares of Stock to which in his opinion the Contractors are entitled and on the *presentation and surrender* of said estimate and requisition to the Water Company it shall deliver to the Contractors the number of Bonds and Shares of Stock therein called for.

The Treasurer of the Water Company may from time to time in his discretion and on proof to his satisfaction of the assumption of any contract by the Contractors for labor materials or other property to be done or furnished in connection herewith or in any way relating thereto or necessary in his discretion for the performance of any provision of this Contract *pay and Deliver* such number of the said Bonds or Shares of Stock or both as he in his discretion may deem the needs of the Contractors require.

On the Completion and *Acceptance* of the Works, the

Treasurer of the Water Company may in his discretion, on presentation of the *final estimate and requisition* as aforesaid pay and Deliver to the Contractors all of the remaining Bonds and Shares of Stock, or he may retain such portion of both or either as he in his discretion may consider proper to *secure the performance* of the terms hereof on the part of the Contractors in respect to the maintenance and operation of the said Works as hereinbefore provided.

This Contract shall be binding on the successors, personal representatives and assigns of the respective parties

In Witness Whereof, The Water Company has caused these presents to be signed by its President, and Secretary and its Corporate Seal to be hereto affixed and the Contractors have hereunto set their hands and seals this day and year first above written.

EXHIBIT S, Sept. 28, 89. E. Z. B.

AGREEMENT OF SALE made the Twenty first day of March A. D. 1887 by and between the *Upland Water Company* party of the first part and *The South Chester Water Company* party of the second part, both parties being Pennsylvania Corporations, *Witnesseth* :—

WHEREAS both parties are organized under an Act of the General Assembly of Pennsylvania passed 29th of April 1874 and entitled "An Act to provide for the incorporation and regulation of certain Corporations" and the amendments and supplements thereto.

AND WHEREAS The Upland Water Company is formed for the purpose of supplying water to the public at the borough of Upland in Delaware County, Pennsylvania and to persons, partnerships and corporations, residing therein and adjacent thereto as may desire the same.

AND WHEREAS The South Chester Water Company is desirous of acquiring the franchises and property of The Upland Water Company.

And Whereas the stockholders of The Upland Water Company have in the manner provided by law consented to such sale.

Now this Agreement Witnesseth that for and in consideration of the sum of One Dollar and other lawful considerations the aforesaid The Upland Water Company for itself and its successors hath sold, assigned disposed of and conveyed and doth by these presents sell, assign, dispose of and convey unto the aforesaid The South Chester Water Company and its successors all and singular its franchises of every kind and nature and all its property real, and personal and mixed wheresoever the same may be situate—Including herein all debts due to it on whatever account as well all stock subscriptions and other things in action belonging to or possessed by it or its successors To Have and To Hold the same absolutely and to and for the proper use, benefit and behoof of the aforesaid The South Chester Water Company its successors and assigns forever.

And the said franchises and property shall be taken and deemed to be transferred to and vested in the aforesaid The South Chester Water Company and its successors without any further act or deed as firmly and effectually as if the same had been originally vested in it and its successors by law or otherwise. And the title to real estate either by Deed or otherwise under the Laws of the Commonwealth of Pennsylvania shall not be deemed to revert or be in any way impaired by reason of this Act and Agreement of Sale.

This Agreement is made upon the following terms and conditions nevertheless to wit:

First:—The aforesaid The South Chester Water Company shall issue to the stockholders of the said The Upland Water Company in the several proportions in which they now hold its Capital Stock Two Thousand Shares of the Common Capital Stock of The South Chester Water Company of the par value of One hundred Dollars each—which Two thousand shares shall when so issued be deemed and taken as full paid nd subject to no further calls.

Second:—The South Chester Water Company shall proceed diligently to construct and equip a system of Works for the purpose of supplying water to the public at the Borough of Upland in Delaware County Pennsylvania in the same manner and to like extent as The Upland Water Company is authorized by law so to do and shall properly maintain and operate the same.

Third:—The South Chester Water Company and its successors shall be liable for all the debts, liabilities and duties of the aforesaid The Upland Water Company and the same shall thenceforth attach to and be enforceable against it to the same extent as if said debts, liabilities and duties had originally been incurred or contracted by it.

In Witness Whereof the aforesaid Companies have caused these presents to be signed in their corporate names by their respective President and their Corporate Seals attested by their respective Secretaries to be hereto affixed the day and year first above written.

THE UPLAND WATER COMPANY,
by
J. L. FORWOOD,
President.

Attest
W. H. MILLER,
Secretary.

THE SOUTH CHESTER WATER COMPANY,
by
J. L. FORWOOD,
President.

Attest
W. H. MILLER,
Secretary.

STATE OF PENNSYLVANIA
CITY AND COUNTY OF PHILADELPHIA } *ss.*

I Harry R. Shultz a Notary Public for the City and State aforesaid do certify that J. Larkin Forwood, President of The Upland Water Company whose name is signed to the foregoing Deed or agreement of Sale dated August 1888 has acknowledged the same before me in my City aforesaid and has further acknowledged and declared that he executed the same as President of The Upland Water Company and for and on behalf of said Company as its act and deed having as such President signed his name thereto and affixed the Corporate Seal of said Company and that he has caused the same to be duly attested by W. H. Miller the Secretary of said Company all of which has been by him under and pursuant to the authority conferred on him by the said The Upland Water Company.

Given under my hand and Seal this 22nd day of April A. D. 1887.

H. R. SHULTZ,
Notary Public.

STATE OF PENNSYLVANIA
CITY AND COUNTY OF PHILADELPHIA } *ss.*

I Harry R. Shultz a Notary Public for the City and State aforesaid do certify that J. Larkin Forwood President of the South Chester Water Company whose name is signed to the foregoing Deed or agreement of Sale dated March 21st 1887 has acknowledged the same before me in my City aforesaid and has further acknowledged and declared that he executed the same as President of The South Chester Water Company and for and on behalf of said Company as its Act and deed having as such President signed his name thereto and affixed the Corporate seal of said Company and that he has caused the same to be duly attested by Wm. H. Miller the Secretary of said Company all of which has been by him under and pursuant to the authority conferred on him by the said The South Chester Water Company.

Given under my hand and seal this 22nd day of April A. D 1887.

H. R. SHULTZ,
Notary Public.

EXHIBIT T, Sept. 28, 89. E. Z. B.

AGREEMENT OF SALE made the Twenty-first day of March A. D. 1887 by and between *The Penn Water Company* party of the first part and the *South Chester Water Company* party of the Second part both parties being Pennsylvania Corporations *Witnesseth:*—

WHEREAS, both parties are organized under an Act of the General Assembly of Pennsylvania passed 29th of April 1874 and entitled "An Act to provide for the incorporation and regulation of Certain Corporations" and the amendments and supplements thereto.

AND WHEREAS the Penn Water Company is formed for the purpose of supplying water to the public at the Borough of North Chester in Delaware County, Pennsylvania and to persons, partnerships and corporations residing therein and adjacent thereto as may desire the same.

AND WHEREAS the South Chester Water Company is desirous of acquiring the franchises and property of the Penn Water Company.

AND WHEREAS the stockholders of The Penn Water Company have in the manner provided by law consented to such sale.

Now This Agreement Witnesseth that for and in consideration of the sum of One Dollar and other lawful considerations the aforesaid The Penn Water Company for itself and its successors hath sold, assigned disposed of and conveyed and doth by these presents sell, assign dispose of and convey unto the aforesaid The South Chester Water Company and its successors all and singular its franchises of every kind and nature and all its property real, personal and mixed wheresoever the same may be situate Including herein all debts due to it

things in action belonging to or possessed by it or its successors. To Have and To Hold the same absolutely and to and for the proper use, benefit and behoof of the aforesaid The South Chester Water Company, its successors and assigns forever.

And the said franchises and property shall be taken and deemed to be transferred to and vested in the aforesaid The South Chester Water Company and its successors without any further act or deed as firmly and effectually as if the same had been originally vested in it and its successors by law or otherwise.

And the title to real estate either by Deed or otherwise under the Laws of the Commonwealth of Pennsylvania shall not be deemed to revert or be in any way impaired by reason of this Act and Agreement of Sale.

This Agreement is made upon the following terms and conditions Nevertheless to-wit :—

First : The aforesaid The South Chester Water Company shall issue to the stockholders of the said The Penn Water Company in the several proportions in which they now hold its Capital Stock Two thousand Shares of the Common Capital Stock of The South Chester Water Company of the par value of One hundred Dollars each which Two thousand Shares shall when so issued be deemed and taken as full paid and subject to no further calls.

Second : The South Chester Water Company shall proceed diligently to construct and equip a system of Works for the purpose of supplying water to the public at the Borough of North Chester in Delaware County, Pennsylvania in the same manner and to the like extent as The Penn Water Company is authorized by law so to do, and shall properly maintain and operate the same.

Third : The South Chester Water Company and its successors shall be liable for all debts, liabilities and duties of the aforesaid The Penn Water Company and the same shall

thenceforth attach to and be enforceable against it to the same extent as if the said debts, liabilities and duties had originally been incurred or contracted by it.

In Witness Whereof the aforesaid Company have caused these presents to be signed in their corporate names by their respective Presidents and their Corporate Seals attested by their respective Secretaries to be hereto affixed the day and year first above written.

THE PENN WATER COMPANY
By
J. L. FORWOOD,
President.

Attest:
M. H. MILLER,
Secretary.

THE SOUTH CHESTER WATER COMPANY
By
J. L. FORWOOD,
President.

Attest
M. H. MILLER
Secretary

STATE OF PENNSYLVANIA }
CITY AND COUNTY OF PHILADELPHIA. } *ss.*

I Harry R. Shultz a Notary Public for the City and State aforesaid do certify that J. Larkin Forwood President of the Penn Water Company whose name is signed to the foregoing Deed or agreement of sale dated March 21st, 1887 has acknowledged the same before me, in my City aforesaid and has further acknowledged and declared that he executed the same as President of the Penn Water Company and for and on behalf of said Company as its act and deed having as such President signed his name thereto, and affixed the Corporate Seal of said Company and that he has caused the same to be duly attested by W. H. Miller, the Secretary of said Company all

of which has been by him under and pursuant to the authority conferred on him by the said The Penn Water Company.

Given under my hand and seal this 22nd day of April A.D. 1887.

H. R. SHULTZ,
Notary Public. N. P. SEAL.

STATE OF PENNSYLVANIA }
CITY AND COUNTY OF PHILADELPHIA } *ss.*

I Harry R. Shultz a Notary Public for the City and State aforesaid do certify that J. Larkin Forwood President of the South Chester Water Company whose name is signed to the foregoing Deed or agreement of Sale dated March 21st, 1887 has acknowledged the same before me in my City aforesaid and has further acknowledged and declared that he executed the same as President of The South Chester Water Company and for and on behalf of said Company as its Act and Deed having as such President signed his name thereto and affixed the Corporate seal of said Company and that he has caused the same to be duly attested by W. H. Miller the Secretary of said Company all of which has been by him under and pursuant to the authority conferred on him by the said The South Chester Water Company.

Given under my hand and seal this twenty-second day of April A. D. 1887.

H. R. SHULTZ,
Notary Public. SEAL.

Recorded in the office for recording of Deeds &c. in & for Delaware County Pa. in Deed Book H No. 6 page 193. In witness my hand & seal of office this 23rd day of April A. D. 1887.

EDWARD BLAINE
Recorder.

EXHIBIT U, Sept. 28, 89. E. Z. B.

THIS INDENTURE, Made the first day of April in the year One thousand eight hundred and eighty-seven, Between *The New Chester Water Company* a corporation created by and existing under the laws of the Commonwealth of Pennsylvania, party of the first part and hereinafter designated "The Water Company" and *The Farmers Loan and Trust Company* a corporation created by and existing under the laws of the State of New York, party of the second part and hereinafter designated "The Trustee." *Witnesseth:*

WHEREAS the Water Company is formed for supplying water for the public at the City of Chester in Delaware County, Pennsylvania and to persons, partnerships and associations residing therein and adjacent thereto as may desire the same.

AND WHEREAS, The Water Company has determined to issue five hundred thousand dollars of its coupon bonds in form as follows and to secure the payment thereof by mortgaging all its property and franchises as hereinafter described, in the manner provided by law:

(Form of Bond.)

No. $1000

UNITED STATES OF AMERICA.

City of Chester, State of Pennsylvania, County of Delaware.

THE NEW CHESTER WATER COMPANY.

(Vignette.)

First Mortgage Six per cent. Thirty Year Sinking Fund Gold Bond.

KNOW ALL MEN BY THESE PRESENTS: That the New Chester Water Company is indebted to and hereby promises to pay Samuel R. Bullock and Company or bearer One thousand Dollars in gold coin of the present standard of weight and fineness lawful money of the United States of America at the

Office of The Farmers Loan and Trust Company in the City of New York on the First day of April in the year One thousand nine hundred and seventeen with interest thereon at the rate of six per centum per annum payable at the same place in like gold coin on the First days of April and October in each and every year until the maturity hereof upon the surrender of the annexed coupons therefor, as they respectively become due free from all taxes.

This Bond is one of a series of five hundred bonds of like amount, tenor and date numbered from one (1) to five hundred (500) both inclusive amounting in the aggregate to Five hundred thousand Dollars and is secured by and issued subject to the provisions of a First Mortgage or Deed of Trust bearing even date herewith conveying to the said The Farmers Loan and Trust Company, In Trust for the benefit of the holders of the said series of Bonds all the property real and personal and all the rights, privileges and franchises of the said The New Chester Water Company now owned or hereafter to be acquired by it and more particularly described therein.

This bond is subject to the sinking fund as provided in said Mortgage or Deed of Trust and shall not be valid until the certificate endorsed hereon is signed by the said Trustee.

In Witness Whereof The said The New Chester Water Company hath caused these presents to be signed by its President and its corporate seal, attested by its Secretary to be hereto affixed this First day of April, A. D. 1887.

THE NEW CHESTER WATER COMPANY.

By

President.

Attest :

Secretary.

(Form of Coupon.)

$30. $30.

The New Chester Water Company promises to pay to the bearer at the Office of the Farmers Loan and Trust Company in the City of New York on the surrender hereof

Thirty Dollars in United States Gold Coin on the First day of 18 being six months interest due on that day on its first Mortgage 6% Thirty Year Sinking Fund Gold Bond No. unless the said Bond is sooner redeemed as provided by the mortgage.

Treasurer.

(Form of Trustee's Certificate.)

Trustee's Certificate.

It is hereby certified that this Bond is one of the series described and referred to in the Mortgage or Deed of Trust within mentioned.

THE FARMERS' LOAN AND TRUST COMPANY,
Trustee.

By
President.

Now This Indenture Witnesseth, That the Water Company in order to better secure the payment of the principal and interest of said bonds, ratably and without discrimination or preference according to the true intent and meaning thereof and also for and in consideration of the sum of One Dollar lawful money of the United States of America to it in hand paid by the Trustee, the receipt whereof is hereby acknowledged, hath granted, bargained, sold, aliened, remised, released, conveyed and confirmed, and by these presents doth grant, bargain sell, alien, remise, release, convey and confirm unto the Trustee and its successors forever, all its real and personal property, goods and chattels now owned or which may hereafter be acquired by it, including its lands, water works, buildings, pump houses, stand pipes, reservoirs, machinery, pipes, mains, hydrants, apparatus and equipment, situate in the County of Delaware, State of Pennsylvania, together with all and singular, the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, tolls, rents issues, income and profits accruing therefrom.

ALSO, all and singular the corporate franchises, privileges, rights and liberties, which the Water Company now hath and can exercise or shall hereafter acquire and possess.

AND ALSO, all the estate, right, title, interest, property, possession, claim and demand whatsoever, as well in law as in equity of the Water Company of, in and to the property above described, and each and every part and parcel thereof, with the appurtenances.

TO HAVE AND TO HOLD, all and singular the above granted and described premises with the appurtenances, unto the Trustee and its successors forever.

In Trust Nevertheless, and to and for the uses and purposes hereinafter expressed of and concerning the same, for the equal *pro rata* benefit and security of all who may become the lawful owners or holders of any of the bonds or coupons intended to be secured hereby, without any preference or priority of any one bond over another by reason of priority in time of issue or negotiation or otherwise.

And in order to carry out the purposes of this trust, it is covenanted and agreed:

First: Until default shall be made in the payment of the principal or interest of the said bonds according to their terms, or the terms of this instrument or in the payments to be made into the Sinking Fund as hereinafter provided, and as long as the conditions and agreements herein contained shall be faithfully observed, the Water Company shall retain the possession of the above granted and described property, and use, enjoy and operate the same, and the rents, issues, income and profits thereof to take, have and apply to and for its sole use and benefit, but in such manner as will not impair the security hereby created.

Second: Should any default be made in the payment of the principal or interest of the aforesaid bonds according to their terms or the terms of this instrument, or in the payments to be made into the Sinking Fund as hereinafter provided for

two successive years, and should the same remain unpaid and in arrear for the space of six months, then, upon the written request of the holders of at least one-fourth of the aforesaid bonds then owing and outstanding so to do, and on proper indemnification being made against the costs and expenses likely to be incurred, the Trustee, or its successors, shall have the right by its agents, attorneys or servants to enter into and upon and take possession of all and singular the property hereby conveyed or intended so to be, and every part and portion thereof and have, use, and operate the same and exercise the franchises pertaining thereto, and make such repairs, replacements, additions or improvements as it may in its discretion, deem necessary for the proper preservation and operation of the said mortgaged property, and take, collect and receive the earnings, income, rents, issues and profits of the same, and after deducting the expenses incident thereto, including a reasonable compensation to the Trustee, and all taxes, liens, or assessments due thereupon, to apply the money so arising from said mortgaged property, first to the payment in full of the interest coupons in default of said bonds in the order that they may fall due; second, to the payment into the Sinking Fund of such amounts as may be due it, if any, and after paying all such interest and amounts due the Sinking Fund, as shall be unpaid and in arrear, to render the overplus, if any there be, and surrender the mortgaged premises unto the Water Company or its successors to be managed by it as if such default had never taken place.

Provided However, That if the Trustee shall take possession in case of default in the payment of the principal of the aforesaid bonds according to their terms or the terms of this instrument, or if such default be made while the Trustee is already in possession, after the payment of the interest and other expenses as above provided, as the same may from time to time become due and payable, the Trustee shall apply the residue of the said money, together with all moneys and proceeds of securities which may then be contained in the Sinking Fund, to the payment and extinguishment of the principal of

the aforesaid bonds, ratably and without discrimination or preference and shall continue in possession of, and shall operate and manage the said mortgaged property until the said principal is fully paid and satisfied, and after paying all such principal and interest and other expenses in full, shall render the overplus and surrender the mortgaged premises and property unto the Water Company or its successors, free of and released from the lien hereby created.

And Provided Further, That in case of default in the payment of interest or in the payment of the amounts due the Sinking Fund in the manner and for the period aforesaid, if the holders of at least a majority of the bonds then owing and outstanding shall notify the Water Company and the Trustee, or their respective successors, in writing before the interest or amounts due the Sinking Fund so in default have been paid, that they, the said bond-holders elect that the principal of all the bonds secured hereby and then owing and outstanding become and be due and payable then upon such election being made, and notice given as aforesaid, the principal of all of said bonds shall immediately become and be due and payable, although the period therein limited for the payment thereof shall not then have expired.

Third: If default shall be made in the payment of the principal or interest of the aforesaid bonds according to their terms or the terms of this instrument, or in the payment of the amounts due the Sinking Fund for two successive years, and should either of the same remain unpaid and in arrear for the space of six months, then it shall be lawful for the Trustee, or its successors on being indemnified as aforesaid and upon the written request of the holders of a majority of the said bonds then owing and outstanding so to do, after entry as aforesaid, or other entry or without entry to sell and dispose of all the property and franchises of every kind and description hereby conveyed and all benefit and equity of redemption of the Water Company and its successors and assigns, and all persons claiming under them, in and to the same

at public auction to the highest bidder, after a notice thereof to be published in one or more newspapers of general circulation printed in the City of Chester, Pennsylvania, and in the City of New York, once in each week for twelve successive weeks and on the day of sale, and by such further or other notice or requirements as may be necessary under the laws of the State of Pennsylvania. The sale to be held in the said City of Chester, or in the City of New York with power to the Trustee to adjourn the same from time to time at its discretion, by advertisement or announcement at the time and place of the proposed sale.

And as the Attorney for the Water Company, or its successors, for that purpose by these presents duly authorized, constituted and appointed to make, execute and deliver to the purchaser or purchasers thereof, a good and sufficient deed or deeds in the law for the same in fee simple, or at the discretion of the Trustee to proceed to foreclose and sell the equity of redemption of the Water Company, and of all other persons having any legal or equitable rights or claims against or in or to the mortgaged premises or any part or portion thereof, by proceedings at law or in equity in any Court or tribunal of competent jurisdiction which sale so to be made in either of the modes herein prescribed, shall forever be a perpetual bar both in law and in equity against the Water Company, its successors and assigns, and against all other persons claiming or to claim the said property or any part thereof, by, from or under them or any of them.

The Water Company hereby expressly waives the benefit and advantage of any and all valuation, stay, appraisement, redemption or extension laws and of all laws requiring mortgages or other securities for money to be foreclosed by action therefor now in force or which may hereafter be in force under the laws of Pennsylvania.

Fourth: In case of a sale of the property hereby conveyed, in either of the modes hereinbefore prescribed, the Trustee shall apply the proceeds thereof, after deducting the costs and expenses of said sale, to the payment in full (but ratably and

without discrimination or preference in case there is a deficiency) of the principal of all the said bonds then due and outstanding, and the interest due thereon up to the time of such application, (the proceeds of the Sinking Fund to be applied in the first instance to the payment of the principal of said bonds), rendering the overplus if any there be, unto the Water Company, its successors or assigns.

Fifth: In the event of a sale under the terms of this mortgage it shall be lawful for any bondholder or bondholders or for the Trustee on behalf of such of them as may unite in authorizing it so to do to purchase the property and franchises hereby conveyed and the bonds and coupons held by the purchasing bondholders shall be received in payment of the purchase money so bidden on said sale by them or by the Trustee on their behalf as a sum paid in cash equivalent to the amount which the purchasing bondholders shall be entitled to out of the net proceeds of such sale after deducting all legitimate costs and expenses, *Provided however*, That the purchasing bondholders so requesting the Trustee to purchase said mortgaged property on their behalf shall contribute in cash their portion of the expenses of such sale, and in case of a purchase by the Trustee under the provisions of this section, the property and franchises so purchased, shall be held by it in trust for the benefit of such bondholders only as may have authorized it to purchase on their behalf and free from the lien of these presents.

Sixth: The Water Company for the better and more effectual securing the payment of the principal of the said bonds and for the purpose of establishing a Sinking Fund for their redemption hereby expressly covenants and agrees to pay to the Trustee on or before the first day of September in each year beginning with the year eighteen hundred and ninety-two, the sum of twenty-five hundred dollars, and the Trustee agrees to, from time to time, receive, accumulate, invest and reinvest the same and the proceeds thereof in such interest bearing security or securities as it, the Trustee may

select giving preference in its discretion to the bonds secured by these presents, other things being equal, or in such other manner as it, the Trustee, in its discretion, may deem best for the interest of the holders of the bonds intended to be secured hereby.

The Trustee shall once in each week for the four successive weeks immediately preceding the first day of October in the year one thousand eight hundred and ninety-seven, and during the corresponding period in each fifth year thereafter, cause a notice to be printed in some newspaper of general circulation published in the City of New York, offering to redeem any of the bonds secured hereby which may be presented to it on or before the expiration of thirty days after the said first day of October at such price as may be fixed by the Trustee or agreed upon between it and the holder or holders of said bonds not to exceed their face value and a premium of ten per centum thereof and interest thereon to the said first day of October.

On the presentation to and payment by the Trustee of such bonds (if any) as may be agreed to be purchased by it and as the moneys and proceeds of securities contained in the Sinking Fund will redeem at the price or prices fixed or agreed upon as aforesaid, they shall at once be canceled by the Trustee and delivered to the Water Company.

The Water Company shall at any time, upon reasonable notice to the Trustee, be entitled to an inspection and account of the moneys and securities representing said Sinking Fund.

The Water Company may make such modifications and alterations in respect to the Sinking Fund as may from time to time be agreed upon with the holders of a majority of the aforesaid bonds.

Seventh: If the Water Company shall well and truly pay or cause to be paid, the principal and interest of the said bonds when the same shall become due and payable according to the tenor of said bonds and the coupons thereto attached, and the amounts due the Sinking Fund as herein provided, and shall comply with all the other requirements hereof, ac-

cording to the true intent and meaning of these presents, then and in that event all the estate, right, title and interest of the Trustee and its successors in the trust hereby created, shall cease, determine and be null and void, otherwise the same shall be and remain in full force and virtue.

Eighth: If, at any time, the Trustee or its successors shall enter into and take possession of said property, or proceed to sell the same by reason of any default in payment of the principal or interest or amounts due the Sinking Fund, or of anything required to be done by the Water Company as herein provided, the Water Company shall have the right at any time prior to an actual sale of said property to pay and satisfy in full the principal of said bonds and the interest thereon to the date of such payment, together with all just and proper costs, charges and expenses paid or incurred by the Trustee, and a reasonable compensation for its services, and upon such payment and satisfaction, the Trustee shall surrender to the Water Company all of the said property and franchises hereby granted, and shall execute and deliver to the Water Company such instruments as the Water Company may deem necessary to satisfy and discharge these presents of record and to revest in it the title to said property and franchises.

Ninth: The Water Company and its successors, and all and every person or persons whomsoever, lawfully or equitably deriving any estate, right, title or interest of, in or to the hereinbefore granted property by, from, under or in trust for them, shall and will at any time or times hereafter, upon the reasonable request of the Trustee or its successors, but at the proper costs and charges in the law of the Water Company, its successors or assigns, make, do and execute, or cause or procure to be made, done and executed, all and every such further and other lawful and reasonable acts, conveyances and assurances in the law for the better and more effectual vesting and confirming the property and franchises hereby granted or intended so to be, and especially such property and franchises as shall be hereafter acquired in and to the Trustee or its successors forever, in trust as aforesaid,

as by the Trustee or its successors, or their counsel learned in the law, shall be reasonably devised, advised or required.

Tenth: Should the Trustee herein named resign, or for any reason whatever become incapacitated from acting under these presents, it shall be lawful for the holders of a majority of the bonds then owing and outstanding and intended to be secured hereby, to nominate and appoint by an instrument or instruments in writing, executed under their hands and seals, and acknowledged in like manner as a deed to be recorded in the State of Pennsylvania, such person or corporation to act in the place and stead of such outgoing trustee as they shall deem fit, and upon the written acceptance of such person or corporation so nominated and appointed to be made and executed in like manner and delivered to the Water Company, he or it shall become vested with the same estate, rights, powers, and liabilities as if he or it had been expressly named as a Trustee herein, and thereupon all the estate, right, title and interest of the outgoing Trustee shall be divested, cease, determine and be null and void.

Eleventh: In any case as herein provided in which the Trustee shall have the right to enter upon the said mortgaged premises, or to do any other act to enforce any provision hereof, the holder or holders of a majority of the outstanding bonds may, by a written instrument signed by them from time to time, instruct and require the Trustee to waive, discontinue or defer the exercise of such right absolutely or on such terms as such majority may deem proper, or such majority may reverse or annul the power of the Trustee already exercised. But the exercise of the aforesaid powers by the Trustee or majority of the bondholders in case of one default shall in no wise affect their respective rights in case of a subsequent default.

Twelfth: The Trustee accepts the Trust hereby created, and its duties upon the following terms, which are expressly agreed to:

The recitals herein contained, are made on behalf of the Water Company and not of the Trustee.

The Trustee shall be answerable only for its own wilful negligence or default and not for the act or default of any agent, attorney or employee selected with reasonable discretion.

The Trustee may resign upon a notice to the Water Company of sixty days, or such shorter notice as the Water Company may accept as sufficient.

The Trustee shall not be bound to take any action towards enforcing any provision of this mortgage, nor to appear in or defend any suit or proceeding brought against it as such Trustee, unless previously indemnified to its reasonable satisfaction against all costs, claims, suits or liabilities incident to or which may result from such action or defence, nor to recognize any person as a holder of any of said bonds, nor to take any action at his request even if indemnified as above provided, unless his bonds are submitted to the Trustee for inspection and his ownership of the said bonds satisfactorily proved if disputed.

The Trustee shall not be bound to record or file this mortgage nor to take any steps to make it a lien upon personal property or to renew or perpetuate such lien, nor to insure the mortgaged property.

The Trustee shall have reasonable compensation for its services and be reimbursed for all its proper expenses in executing the trust hereby created, and such compensation and expenses shall be a first charge upon the trust estate and funds.

Thirteenth: The holder or holders of any of the said bonds or coupons secured hereby shall not have the right to institute any suit or proceeding to enforce any provision herein contained unless the Trustee shall refuse or neglect to institute the same after a written request from any bondholder or bondholders and reasonable opportunity so to do and a tender or receipt of a reasonable indemnity against the costs and expenses of such suit or proceeding, but such written request and tender or receipt of a reasonable indemnity shall be conditions precedent to the commencement of any such suit or proceeding by any bondholder.

In Witness Whereof, The New Chester Water Company and The Farmers Loan and Trust Company have caused these presents to be signed in their respective corporate names by their respective Presidents and their corporate seals attested by their respective Secretaries to be hereto affixed the day and year first above written.

EXHIBIT V, Sept. 28, 89. E. Z. B.

THIS INDENTURE made this first day of April in the year One thousand eight hundred and eighty-seven between *The South Chester Water Company* a corporation created by and existing under the Laws of the Commonwealth of Pennsylvania, party of the first part and hereinafter designated "*the Water Company*" and *The Farmers' Loan and Trust Company* a corporation created by and existing under the laws of the State of New York, party of the second part and hereinafter designated "*the Trustee*," *Witnesseth:*

WHEREAS the Water Company is formed for the purpose of supplying water for the public at the Borough of South Chester in Delaware County, Pennsylvania and to persons, partnerships and associations residing therein and adjacent thereto as may desire the same, and has acquired by purchase, in the manner provided by law the right of supplying water to the public at the Borough of North Chester and the Borough of Upland in the last aforesaid County and State,

AND WHEREAS the Water Company has determined to borrow the sum of Three hundred thousand dollars and to issue its coupon bonds therefor in form as follows, and to secure the payment thereof by mortgaging its property and franchises in the manner provided by law.

(Form of Bond.)

No. $1,000.

UNITED STATES OF AMERICA

State of Pennsylvania,

THE SOUTH CHESTER WATER COMPANY,

(Vignette.)

First Mortgage Six per cent Thirty Year Sinking Fund Gold Bonds.

Payment of principal and Interest Guaranteed.

KNOW ALL MEN BY THESE PRESENTS: That The South Chester Water Company is indebted to and hereby promises to pay Samuel R. Bullock and Company or Bearer One thousand dollars in Gold Coin of the present standard of weight and fineness lawful money of the United States of America, at the office of The Farmers Loan and Trust Company in the City of New York on the first day of April in the year one thousand nine hundred and seventeen with interest thereon at the rate of six per centum per annum payable at the same place in like gold coin on the first days of April and October in each and every year until the maturity hereof upon the surrender of the annexed coupons therefor as they respectively become due free from all taxes.

This bond is one of a series of Three hundred bonds of like amount, tenor and date, numbered from one (1) to three hundred (300) both inclusive, amounting in the aggregate to Three hundred thousand dollars and is secured by and issued subject to the provisions of a first mortgage or deed of trust bearing even date herewith conveying to the said The Farmers Loan and Trust Company *in trust* for the benefit of the holders of the said series of bonds, all the property, real and personal and all the rights, privileges and franchises of the said The South Chester Water Company now owned or hereafter to be acquired by it and more particularly described therein.

This bond is subject to the Sinking Fund as provided in said Mortgage or Deed of Trust and shall not be valid until the Certificate endorsed hereon is signed by the said Trustee.

In Witness Whereof the said The South Chester Water Company hath caused these payments to be signed by its President, and its Corporate Seal attested by its Secretary to be hereto affixed this First day of April, A. D. 1887.

THE SOUTH CHESTER WATER COMPANY,
By

President.

Attest:

Secretary.

(Form of Coupon.)

$30. $30.

The South Chester Water Company promises to pay to the bearer at the office of the Farmers Loan and Trust Company in the City of New York on the surrender hereof Thirty Dollars in United States Gold Coin on the first day of 18 being six months interest due on that day on its First Mortgage 6% Thirty year Sinking Fund Gold Bond No. unless the said bond is sooner redeemed as provided by the Mortgage.

Treasurer.

(Form of Trustees' Certificate.)

Trustee's Certificate.

It is hereby certified that this Bond is one of the Series described and referred to in the Mortgage or Deed of Trust within mentioned.

THE FARMERS LOAN AND TRUST COMPANY, TRUSTEE,
By

President.

AND WHEREAS the payment of the principal and interest of the aforesaid Bonds is to be guaranteed by The New Chester Water Company a Pennsylvania Corporation by a Guaranty endorsed on each of said Bonds in form as follows:

(Form of Guaranty.)

For Value Received The New Chester Water Company hereby guarantees to the holder of the within Bond of The South Chester Water Company payment of the principal and interest of the same when due and payable according to the tenor thereof.

In Witness Whereof The New Chester Water Company has caused these presents to be subscribed by its President, and its corporate seal attested by its Secretary to be hereto affixed this First day of April, A. D. 1887.

THE NEW CHESTER WATER COMPANY,
By

President.

Attest:

Secretary.

Now this Indenture Witnesseth that the Water Company in order to better secure the payment of the principal and interest of said bonds, ratably and without discrimination or preference according to the true intent and meaning thereof and also for and in consideration of the sum of One dollar lawful money of the United States of America to it in hand paid by the Trustee, the receipt whereof is hereby acknowledged, hath granted, bargained, sold, aliened, remised, released, conveyed and confirmed, and by these presents doth grant, bargain, sell alien, remise, release, convey and confirm unto the Trustees and its successors forever, all its real and personal property goods and chattels now owned or which may hereafter be acquired by it, including its lands, water works, buildings, pump houses, stand pipes, reservoirs, machinery, pipes, mains, hydrants, apparatus and equipment, situate in the county of Delaware, State of Pennsylvania together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, tolls, rents, issues, income and profits accruing therefrom.

Also, all and singular the corporate franchises, privileges, rights and liberties, which the Water Company now hath and can exercise or shall hereafter acquire and possess.

And also, all the estate, right, title, interest, property, possession, claim and demand whatsoever, as well in law as in equity of the Water Company of, in and to the property above described, and each and every part and parcel thereof, with the appurtenances.

To have and to hold all and singular the above granted and described premises with the appurtenances, unto the Trustee and its successors forever.

In trust nevertheless, and to and for the uses and purposes hereinafter expressed of and concerning the same, for the equal *pro rata* benefit and security of all who may become the lawful owners or holders of any of the bonds or coupons intended to be secured hereby, without any preference or priority of any one bond over another by reason of priority in time of issue or negotiation or otherwise.

And in order to carry out the purposes of this trust, it is covenanted and agreed:

First: Until default shall be made in the payment of the principal or interest of the said bonds according to their terms, or the terms of this instrument or in the payments to be made into the Sinking Fund as hereinafter provided, and as long as the conditions and agreements herein contained shall be faithfully observed, the Water Company shall retain the possession of the above granted and described property and use, enjoy and operate the same, and the rents, issues, income and profits thereof to take, have and apply to and for its sole use and benefit, but in such manner as will not impair the security hereby created.

Second: Should any default be made in the payment of the principal or interest of the aforesaid bonds according to their terms or the terms of this instrument, or in the payments to

be made into the Sinking Fund as hereinafter provided for two successive years, and should the same remain unpaid and in arrear for the space of six months, then, upon the written request of the holders of at least one-fourth of the aforesaid bonds then owing and outstanding so to do, and on proper indemnification being made against the costs and expenses likely to be incurred, the Trustee, or its successors, shall have the right by its agents, attorneys or servants to enter into and upon and take possession of all and singular the property hereby conveyed or intended so to be, and every part and portion thereof and have, use and operate the same and exercise the franchises pertaining thereto, and make such repairs, replacements, additions or improvements as it may in its discretion, deem necessary for the proper preservation and operation of the said mortgaged property, and take, collect and receive the earnings, income, rents, issues and profits of the same, and after deducting the expenses incident thereto, including a reasonable compensation to the Trustee, and all taxes, liens or assessments due thereupon, to apply the money so arising from said mortgaged property, first to the payment in full of the interest coupons in default of said bonds in the order that they may fall due; second, to the payment into the Sinking Fund of such amounts as may be due it, if any, and after paying all such interest and amounts due the Sinking Fund, as shall be unpaid and in arrear, to render the overplus if any there be, and surrender the mortgaged premises unto the Water Company or its successors to be managed by it as if such default had never taken place.

Provided however, that if the Trustee shall take possession in case of default in the payment of the principal of the aforesaid bonds according to their terms or the terms of this instrument, or if such default be made while the Trustee is already in possession, after the payment of the interest and other expenses as above provided, as the same may from time to time become due and payable, the Trustee shall apply the residue of the said money, together with all moneys and proceeds of securities which may then be contained in the Sinking

Fund, to the payment and extinguishment of the principal of the aforesaid bonds, ratably and without discrimination or preference and shall continue in possession of, and shall operate and manage the said mortgaged property until the said principal is fully paid and satisfied, and after paying all such principal and interest and other expenses in full, shall render the overplus and surrender the mortgaged premises and property unto the Water Company or its successors, free of and released from the lien hereby created.

And provided further, that in case of default in the payment of interest or in the payment of the amounts due the Sinking Fund in the manner and for the period aforesaid, if the holders of at least a majority of the bonds then owing and outstanding shall notify the Water Company and the Trustee, or their respective successors, in writing before the interest or amounts due the Sinking Fund so in default have been paid, that they, the said bond holders elect that the principal of all the bonds secured hereby and then owing and outstanding become and be due and payable then upon such election being made, and notice given as aforesaid, the principal of all of said bonds shall immediately become and be due and payable, although the period therein limited for the payment thereof shall not then have expired.

Third: If default shall be made in the payment of the principal or interest of the aforesaid bonds according to their terms or the terms of this instrument, or in the payment of the amounts due the Sinking Fund for two successive years, and should either of the same remain unpaid and in arrear for the space of six months, then it shall be lawful for the Trustee or its successors on being indemnified as aforesaid and upon the written request of the holders of a majority of the said bonds then owing and outstanding so to do, after entry as aforesaid or other entry or without entry to sell and dispose of all the property and franchises of every kind and description hereby conveyed and all benefit and equity of redemption of the Water Company and its successors and

assigns and all persons claiming under them, in and to the same at public auction to the highest bidder, after a notice thereof to be published in one or more newspapers of general circulation printed in the City of Chester, Pennsylvania, and in the City of New York, once in each week for twelve successive weeks and on the day of sale, and by such further or other notice or requirements as may be necessary under the laws of the State of Pennsylvania. The sale to be held in the said City of Chester, or in the City of New York, with power to the Trustee to adjourn the same from time to time at its discretion, by advertisement or announcement at the time and place of the proposed sale.

And as the Attorney for the Water Company, or its successors, for that purpose by these presents duly authorized, constituted and appointed to make, execute and deliver to the purchaser or purchasers thereof, a good and sufficient deed or deeds in the law for the same in fee simple, or at the discretion of the Trustee to proceed to foreclose and sell the equity of redemption of the Water Company and of all other persons having any legal or equitable rights or claims against or in or to the mortgaged premises or any part or portion thereof, by proceedings at law or in equity, in any Court or tribunal of competent jurisdiction which sale so to be made in either of the modes herein prescribed, shall forever be a perpetual bar both in law and in equity against the Water Company, its successors and assigns, and against all other persons claiming or to claim the said property or any part thereof, by, from or under them or any of them.

The Water Company hereby expressly waives the benefit and advantage of any and all valuation, stay, appraisement, redemption or extension laws and of all laws requiring mortgages or other securities for money to be foreclosed by action therefor now in force or which may hereafter be in force under the Laws of Pennsylvania.

Fourth: In case of a sale of the property hereby conveyed, in either of the modes hereinbefore prescribed, the Trustee shall apply the proceeds thereof, after deducting the costs and

expenses of said sale to the payment in full (but ratably and without discrimination or preference in case there is a deficiency) of the principal of all the said bonds then due and outstanding, and the interest due thereon up to the time of such application, (the proceeds of the sinking fund to be applied in the first instance to the payment of the principal of said bonds) rendering the overplus if any there be, unto the Water Company, its successors or assigns.

Fifth: In the event of a sale under the terms of this Mortgage it shall be lawful for any bond holder or bondholders or for the Trustee on behalf of such of them as may unite in authorizing it so to do to purchase the property and franchises hereby conveyed and the bonds and coupons held by the purchasing bond holders shall be received in payment of the purchase money so bidden on said sale by them or by the Trustee on their behalf as a sum paid in cash equivalent to the amount which the purchasing bondholders shall be entitled to out of the net proceeds of such sale after deducting all legitimate costs and expenses provided however, that the purchasing bondholders so requesting the Trustee to purchase said mortgaged property on their behalf shall contribute in cash their portion of the expenses of such sale, and in case of a purchase by the Trustee under the provisions of this section, the property and franchises so purchased, shall be held by it in trust for the benefit of such bondholders only as may have authorized it to purchase on their behalf and free from the lien of these presents.

Sixth: The Water Company for the better and more effectual securing the payment of the principal of the said bonds, and for the purpose of establishing a Sinking Fund for their redemption hereby expressly covenants and agrees to pay to the Trustee on or before the first day of September in each year beginning with the year eighteen hundred and ninety two, the sum of twenty five hundred dollars, and the Trustee agrees to from time to time, receive, accumulate, invest, and re-invest the same and the proceeds thereof in such interest

bearing security or securities as it, the Trustee, may select giving preference in its discretion to the bonds secured by these presents, other things being equal, or in such other manner as it, the Trustee, in its discretion may deem best for the interest of the holders of the bonds intended to be secured hereby.

The Trustee shall once in each week for the four successive weeks immediately preceding the first day of October in the year one thousand eight hundred and ninety seven, and during the corresponding period in each fifth year thereafter, cause a notice to be printed in some newspaper of general circulation published in the City of New York offering to redeem any of the bonds secured hereby which may be presented to it on or before the expiration of thirty days after the said first day of October at such price as may be fixed by the Trustee or agreed upon between it and the holder or holders of said bonds not to exceed their face value and a premium of ten per centum thereof and interest thereon to the said first day of October.

On the presentation to and payment by the Trustee of such bonds (if any) as may be agreed to be purchased by it and as the moneys and proceeds of securities contained in the Sinking Fund will redeem at the price or prices fixed or agreed upon as aforesaid, they shall at once be cancelled by the Trustee and delivered to the Water Company.

The Water Company shall at any time, upon reasonable notice to the Trustee, be entitled to an inspection and account of the moneys and securities representing said Sinking Fund.

The Water Company may make such modifications and alterations in respect to the Sinking Fund as may from time to time be agreed upon with the holders of a majority of the aforesaid bonds.

Seventh: If the Water Company shall well and truly pay or cause to be paid, the principal and interest of the said bonds when the same shall become due and payable according to the tenor of said bonds and the coupons thereto

attached, and the amounts due the Sinking Fund as herein provided, and shall comply with all the other requirements hereof, according to the true intent and meaning of these presents, then and in that event, all the estate, right, title, and interest of the Trustee and its successors in the trust hereby created, shall cease, determine and be null and void, otherwise the same shall be and remain in full force and virtue.

Eighth: If, at any time, the Trustee or its successors shall enter into and take possession of said property, or proceed to sell the same by reason of any default in payment of the principal or interest or amounts due the Sinking Fund, or of anything required to be done by the Water Company as herein provided, the Water Company shall have the right at any time prior to an actual sale of said property to pay and satisfy in full the principal of said bonds and the interest thereon to the date of such payment, together with all just and proper costs, charges and expenses paid or incurred by the Trustee, and a reasonable compensation for its services, and upon such payment and satisfaction, the Trustee shall surrender to the Water Company all of the said property and franchises hereby granted, and shall execute and deliver to the Water Company such instruments as the Water Company may deem necessary to satisfy and discharge these presents of record and to revest in it the title to said property and franchises.

Ninth: The Water Company and its successors, and all and every person or persons whomsoever, lawfully or equitably deriving any estate, right, title or interest of, in or to the hereinbefore granted property by, from, under or in trust for them, shall and will at any time or times hereafter, upon the reasonable request of the Trustee or its successors, but at the proper costs and charges in the law of the Water Company, its successors or assigns, make, do and execute, or cause or procure to be made, done and executed, all and every such further and other lawful and reasonable acts, conveyances and assurances in the law for the better and more effectual vesting

and confirming the property and franchises hereby granted or intended so to be, and especially such property and franchises as shall be hereafter acquired in and to the Trustee or its successors forever, in trust as aforesaid, as by the Trustee or its successors, or their Counsel learned in the law shall be reasonably devised advised or required.

Tenth: Should the Trustee herein named resign, or for any reason whatever become incapacitated from acting under these presents, it shall be lawful for the holders of a majority of the bonds then owing and outstanding and intended to be secured hereby, to nominate and appoint by an instrument or instruments in writing, executed under their hands and seals and acknowledged in like manner as a deed to be recorded in the State of Pennsylvania such person or corporation to act in the place and stead of such outgoing Trustee as they shall deem fit, and upon the written acceptance of such person or corporation so nominated and appointed to be made and executed in like manner and delivered to the Water Company, he or it shall become vested with the same estate, rights, powers and liabilities as if he or it had been expressly named as a Trustee herein, and thereupon all the estate, right, title and interest of the outgoing Trustee shall be divested, cease, determine and be null and void.

Eleventh: In any case as herein provided in which the Trustee shall have the right to enter upon the said mortgaged premises, or to do any other act to enforce any provision hereof, the holder or holders of a majority of the outstanding bonds may, by a written instrument signed by them from time to time, instruct and require the Trustee to waive, discontinue or defer the exercise of such right absolutely or on such terms as such majority may deem proper or such majority may reverse or annul the power of the Trustee already exercised. But the exercise of the aforesaid powers by the Trustee or majority of the bond holders in case of one default shall in no wise affect their respective rights in case of a subsequent default.

Twelfth. The Trustee accepts the trust hereby created, and its duties upon the following terms which are expressly agreed to:

The recitals herein contained, are made on behalf of the Water Company and not of the Trustee.

The Trustee shall be answerable only for its own wilful negligence or default and not for the act or default of any agent, attorney, or employee selected with reasonable discretion.

The Trustee may resign upon a notice to the Water Company of sixty days, or such shorter notice as the Water Company may accept as sufficient.

The Trustee shall not be bound to take any action towards enforcing any provision of this mortgage, nor to appear in or defend any suit or proceeding brought against it as such Trustee unless previously indemnified to its reasonable satisfaction against all costs, claims, suits or liabilities incident to or which may result from such action or defence, nor to recognize any person as a holder of any of said bonds nor to take any action at his request even if indemnified as above provided, unless his bonds are submitted to the Trustee for inspection and his ownership of the said bonds satisfactorily proved if disputed.

The Trustee shall not be bound to record or file this mortgage nor to take any steps to make it a lien upon personal property or to renew or perpetuate such lien, nor to insure the mortgaged property.

The Trustee shall have reasonable compensation for its services and be reimbursed for all its proper expenses in executing the trust hereby created and such compensation and expenses shall be a first charge upon the trust estate and funds.

Thirteenth: The holder or holders of any of the said bonds or coupons secured hereby shall not have the right to institute any suit or proceeding to enforce any provision herein contained unless the Trustee shall refuse or neglect to institute the same after a written request from any bondholder or bondholders and reasonable opportunity so to do and a tender

or receipt of a reasonable indemnity against the costs and expenses of such suit or proceeding, but such written request and tender or receipt of a reasonable indemnity shall be conditions precedent to the commencement of any such suit or proceeding by any bondholder.

In Witness Whereof the South Chester Water Company and The Farmer's Loan and Trust Company have caused these presents to be signed in their respective corporate names by their respective Presidents and their corporate seals attested by their respective Secretaries to be hereto affixed the day and year first above written.

EXHIBIT W, Sept. 28, 89. E. Z. B.

THIS TRIPARTITE AGREEMENT made this day of A. D. 1887, between *David M. Johnson*, *Thomas J. Houston*, *William C. Gray*, *John Lilley, Jr.*, and *Jesse W. Rawcliffe*, members of the City Council of the City of Chester in the State of Pennsylvania for the South Ward thereof and *ex officio* corporators of the Water Works of the said South Ward of the one part; the *City of Chester* in the State of Pennsylvania of the second part, and *The New Chester Water Company* a corporation of the State of Pennsylvania of the third part.

WITNESSETH that whereas the said party of the first part were created a corporation by the Act of Assembly of the State of Pennsylvania aforesaid approved the second day of March A. D. 1867 and empowered therein and by supplements thereto to supply the said South Ward and the City of Chester and adjacent districts with water and thereby represents the public which is interested in an adequate supply of pure water in the districts aforesaid.

As such corporation the said party of the first part in the exercise of the powers conferred upon it by the said Acts of

Assembly has become the owner of a pumping station reservoir, system of pipes and appurtenances in the City of Chester and is also possessed of divers choses in action.

AND WHEREAS the said party of the first part is of the opinion that the interests which it represents as aforesaid will be better subserved by the performance of the contract as hereinafter set forth.

AND WHEREAS the said party of the second part is also interested that there shall be at all times furnished to the public an adequate supply of pure water and likewise believes that such interest will be better subserved by the performance of this contract

AND WHEREAS the said party of the second part has the power by virtue of the seventh section of the act of March 2 1867 to purchase the said water works and appurtenances belonging to the said party of the first part—the term of twenty years from the introduction of water into the city of Chester by the said party of the first part having expired—

AND WHEREAS the said party of the third part has been incorporated under the act of Assembly of the Commonwealth of Pennsylvania approved the 29th day of April A. D. 1874 as a water company for the City of Chester and neighboring districts.

NOW THEREFORE the said party of the first part for and in consideration of the performance of this contract on the part of the said party of the third part its successors and assigns hereby agrees to grant, bargain and sell to the said party of the third part its successors and assigns all the real and personal estate belonging to it as of the first day of July A. D. 1887 a schedule of which is hereto annexed marked "A" and hereby covenants with the said party of the third part its successors and assigns to deliver to it on the first day of uly A. D. 1887 all such necessary deeds, transfers and

other instruments of writing requisite to vest the said real estate in the said party of the third part in fee simple and the said personal estate in the said party of the third part absolutely and hereby covenants and agrees to permit the said party of the third part to sue for and collect in its name all choses in action belonging to it the said party of the first part as of the date aforesaid; keeping the said party of the first part at all times indemnified against costs and charges incurred in said suits.

The said party of the second part for and in consideration of the performance of this contract on the part of the said party of the third part its successors and assigns hereby agrees to abstain from exercising its power of purchase above referred to and hereby assigns transfers and sets over to the said party of the third part its successors and assigns all its right and power of purchase above specified.

In consideration of the foregoing the said party of the third part its successors and assigns hereby agrees to assume and pay all of the outstanding bonds of the said party of the first part, a schedule of which is hereto annexed marked "B" as the same may from time to time mature and until such time of payment the said party of the third part its successors and assigns further agrees to pay the interest and taxes upon the said outstanding bonds as the same shall from time to time mature. The said party of the third part its successors and assigns further agrees to pay all of the floating debt of the said party of the first part, in cash on July 1, 1887 as the same shall exist at that time. And assume all of the liabilities of the said party of the first part as of July 1, 1887 a schedule of the said floating debt and liabilities being hereto annexed and marked "C." As security for the faithful and prompt payment of the said bonds interest and floating debt, the said party of the third part gives to the said party of the first part the following security, to wit: A special deposit of cash in The Chester National Bank of Chester Pa. to the amount of three hundred thousand dollars on the first day of July A. D. 1887, out of which the said bonds and floating debt shall be paid.

The said party of the third part its successors and assigns further agrees with the said parties of the first and second part their respective successors and assigns that it will increase from time to time the amount of supply and pressure on pipes and the purity of water supplied over and above the present capacity of the South Ward Water Works, and as speedily as practicable to be done by the erection of a reservoir on " Harrisons Hill " and by other means; and will furnish water to the people of Chester and adjacent districts at charges which shall not exceed the schedule of rates which is hereto annexed and marked " D " and made part of this agreement. If at any time in the future the said party of the third part its successors or assigns shall exceed any of the charges specified in the said schedule it shall and may be lawful for the City of Chester to give written notice to the said party of the third part its successors and assigns of such violation of this agreement and if the same be not corrected within thirty days from the service of said notice then the said parties of the second and third parts hereby agree that the time limited by law for the purchase of said water works by the City of Chester to wit, twenty years shall be reduced to the date of the said breach of this contract and thereupon the City of Chester shall have the power at its option either to take the said water works under the provisions of existing law or shall have power to take the said water works as of its right of eminent domain. If the City of Chester shall elect to take the said water works as of its right of eminent domain the value thereof shall be ascertained by a jury appointed by the Court of Common Pleas of Delaware County in the same manner as juries are appointed under the general railroad law of 1849 and its supplements, and thereupon proceedings shall be had in the said Court in the same manner and with the same force and effect as provided by the general railroad law with the same right of appeal and writ of error as now exists by law, and the valuation as thus ascertained shall be final and conclusive between the parties and upon the payment of the said amount by the City of Chester to the said party of the third part its successors and assigns all the property, powers,

rights, franchises and appurtenances at that time belonging to the said party of the third part shall vest in the City of Chester.

Provided that nothing in this covenant contained shall be construed to deprive the said party of the third part of any right of appeal to the Court of last resort on the question of the amount of such valuation or to deprive it of the right to apply for a change of venue or of any other right or remedy that other suitors enjoy under the law in similar proceedings.

And it is further provided that the application of the said party of the second part to said Court shall be made after thirty days notice to the said party of the the third part its successors and assigns so that it, them or any of them shall have an opportunity of answering and having determined by the said Court the averments of the said Petition as to breach of this contract.

It is further agreed by the said parties of the first and third parts that the charter franchises of the said party of the first part shall hereafter be limited and restrained to whatever is necessary to enforce a compliance with the contracts and the said powers and franchises shall not be operated in any way hereafter except for the purposes of the suits and collections of the choses in action hereinbefore referred to and the enforcement of this contract.

And further the parties of the first and second parts at the expense of the New Chester Water Company agree to join in any judicial or legislative action that may be deemed expedient to give full legal force and effect to this agreement and the ratification thereof. All suits pending between any of the parties hereto shall be discontinued and all unpaid costs shall be paid by the said party of the third part.

All amounts owing to the said party of the first part for unpaid water mains now laid and for interest on such unpaid water mains are reserved by the said party of the first part from the operation of the transfer or assignment herein contracted for and the franchise of collecting the cost of water mains, and interest is expressly reserved by the said party of the first part from the operation of this contract.

EXHIBIT X, Sept. 28, 89. E. Z. B.

THIS AGREEMENT Made this seventh day of July A. D. 1887 between *David M. Johnson, Thomas J. Houston, William C. Gray, John Lilley, Jr.*, and *Jesse W. Rawcliffe*, members of the City Council of the City of Chester in the State of Pennsylvania for the South Ward thereof and *ex officio* corporators of the Water Works of the said South Ward of the one part; and the *New Chester Water Company* a corporation of the State of Pennsylvania of the other part. *Witnesseth*

That by an agreement tripartite duly executed between and among the parties hereto and the City of Chester in the said State dated the thirty first day of May A. D. one thousand eight hundred and eighty seven, it was *inter alia* covenanted and agreed as follows to wit:—

In consideration of the foregoing the said party of the third part its successors and assigns hereby agrees to assume and pay all of the outstanding bonds of the said party of the first part a schedule of which is hereto annexed marked "B" as the same may from time to time mature; and until such time of payment the said party of the third part its successors and assigns further agrees to pay the interest and taxes upon the said outstanding bonds as the same shall from time to time mature. The said party of the third part its successors and assigns further agrees to pay all of the floating debt of the said party of the first part in cash on July 1, 1887 as the same shall exist at that time and assume all of the liabilities of the said party of the first part as of July 1, 1887 a schedule of the said floating debt and liabilities being hereto annexed and marked "C." As security for the faithful and prompt payment of the said bonds, interest, and floating debt, the said party of the third part gives to the said party of the first part the following security:—to wit:—A special deposit of cash in The Chester National Bank of Chester Pa. to the amount of Three hundred thousand dollars on the first day of July A. D. 1887 out of which the said bonds and floating debt shall be paid.

And Whereas The said party of the second part has performed all and singular the obligations and undertakings in the said above recited covenant, and has made deposit of two hundred and eighty one thousand three hundred and fifty dollars in the said The Chester National Bank.

And Whereas It has been agreed that in lieu of said party of the second part assuming the payment of the said debts of the said party of the first part as they become due that the said party of the second part shall deposit with The Chester National Bank the sum of two hundred and eighty one thousand three hundred and fifty dollars to be applied by said bank to the payment of said debts and interest which said sum has been deposited and is accepted by said party of the first part as a full performance of its covenant in regard to said debts

Now Therefore For and in consideration of the premises and of one dollar, it is hereby covenanted and agreed and acknowledged that the said party of the second part has fully performed all its undertakings and obligations under the above recited covenant; and the said party of the first part releases and discharges the said party of the second part its successors and assigns from all payments obligations, liabilities and responsibilities under and pursuant to the said above recited covenant as fully as if the same had never been part of the said agreement.

First: That the said party of the first part hereby authorizes, empowers and directs its President and Secretary to sign and execute with its corporate seal thereto affixed all such bills of sale assignments and other instruments of writing as may be deemed necessary or expedient to vest in the said party of the second part its successors and assigns all the property of the said party of the first part pursuant to the terms of the said tripartite agreement, and the terms of these presents.

Second: That in all other respects the said tripartite agreement shall remain in full force and effect.

In Witness Whereof The said party of the first part has caused this indenture to be signed by the corporators aforesaid councilmen of the said South Ward and also to be signed by the President and Secretary of the said corporation of the said South Ward Water Works with the corporate seal thereof duly affixed and attested and to be delivered as and for the act and deed of the said corporation pursuant to a resolution duly passed by the said Board on the seventh day of July A. D. 1887 immediately prior to the execution of this indenture.

And the said party of the second part has caused this Indenture to be signed by its President, and Secretary, with the corporate seal thereof duly affixed and attested and the same to be delivered as and for the act and deed of the said The New Chester Water Company All done the day and year first above written.

Sealed and delivered in
the presence of us

DAVID M. JOHNSON	THOMAS J. HOUSTON	[L. S]
W. B. BROOMALL	W. C. GRAY	[L. S]
GEORGE G. JONES	JOHN LILLEY, JR.	[L. S]
SAM. LYONS	J. W. RAWCLIFFE	[L. S]
S. W. WARD		

SOUTH WARD WATER WORKS
By
DAVID M. JOHNSON,
President.

Attest
G. JONES,
Secty.

THE NEW CHESTER WATER COMPANY
By
J. L. FORWOOD,
President.

Attest
W. H. MILLER
Secretary

[SEALS]

EXHIBIT Y, Sept. 28, 89. E. Z. B.

OFFICE OF THE NEW CHESTER WATER COMPANY.

CHESTER PA. July 7, 1887.

To the Corporators of the South Ward Water Works.

You are hereby requested and authorized to transfer and convey all property real personal and mixed that this Company is entitled to receive from you under and by virtue of the tripartite agreement executed between and among the City of Chester your Corporation and this Company and dated the thirty first day of May A. D. 1887 in the following manner, to wit :—

The real estate to Samuel R. Bullock.

The personal property including money and choses in action to Samuel R. Bullock and William S. Mercer of the City of New York in the State of New York.

Witness our hands and seals of the said Company the day and year above written.

J. L. FORWOOD
President

Attest
W. H. MILLER
Secretary

DAVID M. JOHNSON
President

GEORGE G JONES
Secretary

[SEALS.]

EXHIBIT Z, Sept. 28, 89. E. Z. B.

KNOW ALL MEN BY THESE PRESENTS that we David M. Johnson, Thomas J. Houston, William C. Gray, John Lilley Jr. and Jesse W. Rawcliffe members of the City Council of the City of Chester in the State of Pennsylvania for the South Ward thereof and *ex officio* corporators of the Water Works

of the said South Ward for divers good and sufficient considerations and one dollar, Do hereby transfer, assign and set over to Samuel R. Bullock of the City of Brooklyn in the State of New York and William S. Mercer of the City of New York in the State aforesaid their heirs executors administrators and Assigns All debts due suits pending and moneys due thereon all promissory notes, and all choses in action now owned by the said corporation of the said South Ward Water Works aforesaid including judgment notes and also all cash on hand;

Provided, that this assignment is exclusive of any debts for or choses in action given or any pipe frontage or pipe tax or interest owned or held by the said South Ward Water Works against any person or property and the said corporation of the said South Ward Water Works agrees to allow the said assignees their executors administrators or assigns to commence suits in the name of the said corporation for the recovery of the said moneys, or at their request to mark any pending suits to their use; *Provided* that the said Samuel R. Bullock and Co. their Executors, administrators and assigns shall at all times hereafter forever save harmless & indemnified the sd. corporation of the said South Ward Water Works its successors and assigns of and from all loss, costs, and expense by reason of the prosecution of the said suits the collection of the said moneys or any matter or thing whatsoever incident or connected therewith.

The said debts moneys and chose in action being represented by Schedule "D" and "E" hereto annexed and which were attached to a tripartite agreement duly executed between and among the City of Chester the said corporation of the South Ward Water Works and The New Chester Water Company dated the thirty first day of May A. D. 1887 and in addition to the debts due, suits and choses in action set out in the said schedules there are added and assigned as aforesaid the following to wit viz.

Due from Robert Anderson late Supt. $7738.43.

Award against the Balt. & Phila. R. R. Co. $500.00 less fees and expenses in litigation.

Provided and it is understood and agreed that the said moneys and choses in action represented in the said Schedules may be subject to changes, occurring in the ordinary course of business since the first day of May A. D. 1887.

Duly signed by the President and Secretary of the assignors with the seal duly affixed; also acknowledged by the same officers by virtue of a Resolution of which a copy is forwarded.

EXHIBIT A1, Sept. 28, '89. E. Z. B.

SCHEDULE B.

Valuation of Plant.

Based upon an estimate of the amount that would be required to replace the entire plant at the cost of labor and materials January 1, 1887.

MAY 1, 1887.

Construction

Reservoir and Pumping Station.

Reservoir on Concord Road,	10,000 00
Engine and Boiler House,	800 00
Office Building,	700 00
Compound Corliss Engine and Pumps,	8,500 00
Corliss Engine and Gear pumps,	2,000 00
Boilers, new set and connections,	1,800 00
" old " " "	500 00
Foundations, old and new engines and pumps,	1,200 00
Total,	25,500 00

Water Pipe

Supply and Distribution at Works Foot Fulton St.

310 ft. of 30" Submerged main,	1,340 00	
Cost of laying same,	2,928 20	
Plan and specifications,	100 00	
		4,368 20
500 ft. of 20" Pipe at $1.68 per ft.,	840 00	
Cost of laying same,	160 00	
		1,000 00

Special Castings.

1 Mouthpiece to submerged main,	90 00
2 30″ ⅛ bends,	100 00
1 30″ stop valve,	360 00
2 20″ stop valves,	288 00
1 20″ foot valve,	190 00
1 20″ connection,	39 13
3 20″ ¼ bends,	98 25
1 20″ by 12″ Y.,	31 50
1 30″ check valve,	
1 30″ by 20″ reducer,	473 92
1 screen chamber,	
Total,	7,039 00

Delivery and Distribution System.

10,700 ft. of 12″ pipe,	
6,768 " " 10″ "	
15,529 " " 8″ "	
35,349 " " 6″ "	
9,948 " " 4″ "	
350 " " 3″ "	
1,898 " " 2″ "	
80,541 " " Pipe at 1.10 per foot	88,595 10
Estimate covering pipe branches, special castings, wood, clay, packing lead, haulage and labor.	

Gates.

13 12″ stop valves at $50.00,	650 00
20 10″ " " " 34.25,	685 00
30 8″ " " " 25.00,	750 00
99 6″ " " " 15.00,	1,485 00
34 4″ " " " 11.25,	382 50
1 3″ " " " 10.00,	10 00
8 2″ " " " 8.00,	64 00

Castings and Boxes.

205 Castings and Boxes for valves at $8.00,	1,640 00

Miscellaneous.

Arched Pipe at Seventh Street Bridge, Contract price including plans and placing in position,	1,207 82	
Labor, haulage, brick, stone, cement, &c.	84 00	
		1,291 82
Relief valve foot Market St.,		50 00
Total,		95,603 42

SUMMARY.

Reservoir and pumping station,	25,500 00
Supply and Distribution,	
At works Foot Fulton Street,	7,039 00
Distribution system,	95,603 42
	128,142 42
Add for advance in Iron Jan'y 1, 1887, to May 1, 1887	11,074 40
	139,216 82

SCHEDULE C.

INVENTORY OF OFFICE FURNITURE, MATERIALS AND TOOLS ON HAND MAY 1, 1887,

South Ward Water Works, Chester, Penna.

OFFICE FURNITURE.

1 safe,	100 00
1 desk and counter,	5 00
1 large table desk,	8 00
1 rolling top desk,	45 00
1 lounge,	5 00
1 water cooler,	1 50
1 basin and fixtures,	2 50
1 revolving office chair,	2 00
6 office chairs,	6 00
2 gas fixtures,	8 00
2 sheet iron boxes,	9 00
2 rubber suits,	16 00
1 letter press,	5 00
steam heating pipes,	5 00
3 maps,	3 00
2 glasses,	10
1 broom,	20
1 dust brush,	15
1 whisk broom,	10
4 spittoons,	20
Total,	221 75

3 maps distribution service cost $500, value?

ENGINE HOUSE.

Materials on hand May 1, 1887.

50 tons coal at $3.35,	167 50
50 gallons machinery oil,	15 00
20 Gallons boiler varnish,	7 50
20 Gallons cylinder oil,	14 00
1 Cast Lords Boiler compound,	30 12
25 lbs. eureka packing at 45 cts,	11 25
14 lbs. waste,	1 12

10 lbs. hemp packing,	1 50
44 lbs. sheet rubber,	22 00
3 lbs. Babbitt metal,	1 50
10 lbs. tallow,	1 00
8 eye bolts for pumps,	4 00
3 " " " "	1 00
7 3″ ¾″ bolts,	1 75
3 5″ 1″ "	90
3 lbs. hemp rope,	24
38 3½ vulcanized rubber valves,	3 80
2 lbs. packing,	1 20
3 20″ x ¾″ water glasses,	1 50
3 12″ x ⅜″ " "	75
100 valve springs,	10 00
7 3″ ¾″ bolts,	1 75
8 5″ ¾″ "	2 40
10 Brass guards for pumps,	7 50
1 50 Gallon oil tank,	5 00
11 Gas fixtures,	20 00
Total,	334 28

ENGINE HOUSE,

Tools on hand May 1, 1887.

1 Steel wrench,	1 50
2 Socket wrenches,	6 50
1 "S" wrench,	75
2 Boiler makers wrenches,	1 00
3 Monkey wrenches,	1 50
1 Boiler wrench,	75
4 Pair steam fitters tongs,	4 00
2 Packing hooks,	75
3 Steel drifts,	1 50
4 Chisels,	2 00
3 Sealing hammers,	3 00
3 Files,	1 50
1 Hammer,	1 00
1 Steam tube cleaner,	5 00
1 " " "	1 00
2 Fire hoes,	2 00
2 Steel bars,	2 50
1 Vice,	5 00
1 Pipe tap,	1 50
1 Saw,	50
2 Coal shovels,	1 50
1 Wheelbarrow,	10 00
2 Brooms,	40
1 Platform scales,	45 00
total,	100 15

CONSTRUCTION AND MAINTENANCE.

Material on hand May 1, 1887.

4 Pieces large rope,		10 00
100 lbs. hemp packing, at 8½,		8 50
50 ft. hose,		6 00
9 Gallons headlight oil and can,		1 75
1 Chain fall,		20 00
1 Double block,		60
4 Single "		2 00
1 Duplicate wheel old pump,		75 00
2 large coal buckets,		30 00
1 Ladder, 22″,	4 40	
1 " 20″	4 00	
1 " 10″,	1 50	
		9 90
1 Salamander oil can and faucet,		2 00
4 chains,		10 00
1 " broken,		50
2 red lights,	2 00	
1 white light,	1 00	
		3 00
1 tin bucket,		50
2 wooden buckets,		40
6 2″ wooden plugs at 25 cts.	1 50	
8 4″ " " " 35 "	2 80	
2 6″ " " " 40 "	80	
1 8″ " " " 60 "	60	
		5 70
1 gallon measure and funnel,		60
1 steam radiator,		2 50
1 fly wheel belt old 50″ x 18″,		10 00
3 1″ corporation cock,		6 00
11 ¾″ " "		13 75
3 1″ ferrules,	1 11	
6 ¾″ "	1 50	
8 ⅝″ "	1 44	
3 ½″ "	33	
		4 38
6 1″ brass plugs 12 ¾″ " " 12 ⅝″ " " 6 ½″ " "		17 00
2 lengths 12″ pipe 1700 lbs. at $31. per ton,		23 00
13 " 10″ " 9005 "		112 12
1 " 8″ " 1 piece 8″ " 10′ 1 " 8″ " 7′ 1 " 8″ " 5′	1497 lbs. at $31. per ton,	20 75

2 lengths 6″ pipe 1 piece 6″ " 6′	} 840 lbs. at $31. per ton,	10 92
4 lengths 4″ " 1 piece 4″ " 7′	} 935 lbs. at $31. " "	12 16
1 12″ valve, old,		10 00
2 10″ valves, new,		70 00
1 4″ valve "		10 50
1 30″ sleeve, 1200 lbs., at 03 cts,		36 00
4 10″ " 170 x 4, 680 lbs., at 03 cts,		20 40
2 8″ " 127 x 2, 254 lbs., at 03 cts,		7 62
2 6″ " 73 x 2, 146 lbs., at 03 cts,		4 38
2 4″ " 40 x 2, 80 lbs., at 03 cts,		2 46
12 2″ " 8 x 12, 96 lbs., at 03 cts,		2 88
2 4″ T's 100 x 2, 200 lbs., at 2½ cts,		5 00
1 12″ Y. 400 lbs., at 2½ cts,		10 00
1 8 x 4 reducer, 110 lbs., at 2½ cts,		2 75
1 6″ x ⅛ bend, 70 lbs., at 2½ cts,		1 75
2 3″ elbows, at 15 cts,		30
1 12″ x 6″ cross 400 lbs., at 2½ cts,		10 00
1 4″ x 4″, " 120 lbs., at 2½ cts		3 00
2 6″ x 6″, " 526 lbs., at 2½ cts,		13 15
1 8″ x 8″ angle cross 300 lbs., at 2½ cts,		7 50
4 valve boxes,		6 00
7 curb boxes,		9 45
10 lengths old arched pipe 3d St. Bridge, 16,000 lbs. at 1 ct.,		160 00
200 lbs. old bolts, at 1 ct.,		2 00
3 old bands,		25
3 old swivels,		30
1 old ringbolt,		15
1 screen basket,		2 00
Total,		816 87

Construction and Maintenance,

Tools on hand May 1, 1887.

1 drilling machine and drills,	50 00
1 " " " "	25 00
2 monkey wrenches, at 30 cts.,	60
2 socket wrenches, at 1.50,	3 00
1 large wrench for bridge pipe,	2 00
1 old wrench,	1 00
1 large square,	1 00
1 small square,	50
20 calking tools,	15 00
3 calking hammers,	2 40
4 cold chisels,	1 25
6 " " diamond points,	2 40

1 small ladle,	50
1 old wood chisel,	10
1 small hatchet,	20
1 Adze,	1 00
1 pair blacksmith's tongs,	1 25
2 fire pumps,	2 00
19 picks and handles, at 50 cts,	9 50
2 wheelborrows, at 50 cts,	1 00
2 large hoes, at 50 cts,	1 00
15 shovels, at 25 cts,	3 75
1 sledge,	1 00
2 scythes, handles,	2 00
2 jack screws,	5 00
7 valve keys, at 3.00,	21 00
2 post bars,	3 00
1 pressure gauge,	5 00
1 large ladle and handle,	5 00
1 lead pot and furnace,	15 00
1 old " " " at 01 ct.,	25
1 ½ old bibb cock,	75
2 torches, 4 lights,	1 00
5 " single lights,	75
2 large wooden wharf clamps,	1 00
2 brooms,	20
1 small tool chest,	5 00
1 large tool chest,	10 00
Total,	200 40

SUMMARY.

Engine Room:	
Materials on hand May 1, 1887,	334 28
Tools on hand May 1, 1887,	100 15
Construction and Maintenance:	
Materials on hand May 1, 1887,	816 87
Tools on hand May 1, 1887,	200 40
Office Furniture,	221 75
Total,	1,673 45

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EXHIBIT A2, Sept. 28, 89. E. Z. B.

Samuel R. Bullock, for himself and as liquidating partner of the late firm of Samuel R. Bullock & Co., Contractors, No. 11 Wall Street, New York, deposes and says that the firm of Samuel R. Bullock & Co. entered into a written contract with the New Chester Water Co. and the South Chester Water Co., both being Corporations duly incorporated under the Laws of the State of Pennsylvania, and agreed to furnish, and do anything and everything which was necessary to construct a Water Works Plant, in complete working order, in accordance with the requirements of the Charters of the respective Corporations hereinbefore named, and in compliance with the plans and specifications of the Water Companies Chief Engineer; and in pursuance of said contracts, the said firm of Samuel R. Bullock & Co. began and, up to date, have not completed the work required to be done in accordance with the foregoing; that by the contracts hereinbefore alluded to, the Water Companies herein named agreed to recompense the firm of Samuel R. Bullock & Co., for work done, material furnished and services rendered, by the payment of their securities; that in order to enable the said firm of Samuel R. Bullock & Co. to proceed and carry on the work agreed to be done, the said firm hypothecated the aforesaid securities; and that such securities are yet hypothecated as collateral security for moneys obtained by the said firm of Samuel R. Bullock & Co.

The two Water Companies have never paid any coupons on their Bonds, or any interest whatever upon their securities. No sale has been made of these securities, and, on information and belief, deponent further says that the Treasurer's position of the two Water Companies is a merely nominal one, he having no funds to make any payments.

The securities that were received from the two Water Companies by the firm of Samuel R. Bullock & Co., and its successor as liquidating partner (Samuel R. Bullock), still remain the actual property of said firm and its successor, and will remain such until the final settlement is effected.

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EXHIBIT A3, Oct. 7, '89. E. Z. B.

NEW YORK CITY, Oct. 23rd, 1886.

Sam'l R. Bullock & Co., No. 11 Wall St., N. Y.

GENTLEMEN:—In accordance with instructions received from you I have visited the City of Chester Pennsylvania, made a carefull examination of the city and the surrounding country, and submit to you the following report relative to the proposed new system of Water Works for the City of Chester and outlying Boroughs.

The City of Chester lies on the right bank of the Delaware River about 16 miles below Philadelphia. Together with the three surrounding Boroughs, that are built up so closely to the city limits as to be in all but government a portion of the city. It has a population of about 35,000.

It is essentialy a manufacturing city, and the number, character and magnitude of its manufacturing industries are too well known to need enumeration here. While its population includes a great many men of large wealth the greater portion of the people are mechanics and small tradesmen, who in almost every instance are owners of the houses in which they live, and tax payers, being as a whole industrious, prosperous and enterprising people. The character and style of buildings in the city is good, and the city shows in all parts evidence of rapid growth and prosperity.

Lying so near to the City of Philadelphia, and on a river open to navigation at all seasons of the year, it can hardly fail to be in the near future, the real seaport and shipping point for the larger city. At the present time its trade is large and steadily increasing.

The city proper covers an area of ground about three miles in length, and from one half to three quarters of a mile in width, lying immediately on the bank of the Delaware River. The land near the river is low and marshy, but rises rapidly from the waters edge to a height of nearly 200 feet at a distance of three miles inland. On one of these high ridges it is proposed to locate the settling and distributing basins.

The location of a point from which to obtain the water supply being of the first importance, I carefully examined both the Delaware River, and the two small Creeks, Chester and Ridley that flow through the city.

These two Creeks flow on either side of the proposed Reservoir site, distant about one mile from each other, and each one being approximately one half mile from reservoir. They are of ample size to furnish all the water needed for legitimate water consumption in the City of Chester for many years in the future, and being so near the Reservoir site would be much the cheapest source from which to obtain the supply.

They are, however, open to two very serious objections, that in my opinion precludes any consideration of their water as a source of supply for Chester.

There are located on both streams above the points from which water would have to be taken, cotton and woolen mills in almost constant operation, and all refuse water from washings, dyestuffs and other garbage from these mills is discharged directly into the channel of the two creeks. This very evident source of contamination appears to me to be so serious, that were there no other questions to be considered I would unhesitatingly pronounce against the use of their waters for a domestic supply.

Whether or not the mill owners could be compelled by law to preserve the purity of the streams, and provide other means of disposal for their sewage, I am not able to state, but in the event of their being liable for such action there is still another and almost as serious objection to be considered.

Below the proposed point of intake are located several mills and manufacturing establishments, each of which uses the water power of the streams as a motive power. The taking of such a quantity of water as would be required, from immediately above their Dams, and the locating above them of the works needed to provide at all times a bountiful supply of water, would undoubtedly infringe upon their riparian rights, and furnish just cause for complaints, and suits for damages in large amounts against the water company.

In the presence of these facts I would recommend you to

abandon the idea of obtaining a supply of water from either Chester or Ridley Creek, and as all other streams of size to be available are situated too far from the city, I would advise that the source of supply be the Delaware River, and the general plan of the works be as follows.

First. That the point of intake be located at Eddystone, about one quarter mile above the Calico Dyeing establishment of Simpson & Co., near the line of Pennsylvania Railroad, and that the water be taken from the river and brought to the pumps by a suction main 30 inches in diameter and of sufficient length to extend to deep water in the channel of the river.

Second. That the pumping station be established near the bank of River at the point above indicated, and that the pumping plant consist of two Compound Condensing, horizontal acting pumping engines of not less than 4,000,000 gallons capacity per day of twenty-four hours, with of course, all needful boilers, smoke stacks and other appliances for their efficient and economical operation.

Third. From the pumping station the water is to be pumped through a 24 inch force main to the settling basins located on Harrison Hill about three miles distant from point of intake, and at an elevation of about 200 feet above low tide in the Delaware River.

Fourth. That the settling basins be built in such manner as to form three separate and distinct compartments each of a capacity of 5,000,000 gallons. The total capacity of basins being 15,000,000 of water when filled to a depth of not over 20 feet, these basins to be so connected with the force and effluent mains, as to admit of water being pumped into either basin, or to be taken from either for distribution. From the basins the water will flow to the city through a main 24 inches in diameter, and will be distributed by about 26 miles of pipe of various sizes.

In recommending the above system I am fully aware of its great cost as compared with the works usually designed and built for cities similarly situated, but I am confident that the present and future growth of Chester will fully justify the expenditure needed to perfect the system. In my estimates on the pumping capacity, capacity of reservoirs and pipe distribution, I have assumed that the population of Chester would reach a total of 50,000 within the next five years, and that many, if not all of the large manufacturing establishments would at an early day become consumers of water.

The water of the Delaware River has been proven by chemical analysis to be all that could be desired for domestic and manufacturing consumption, when freed from the silt held in mechanical suspension, and I do not consider it necessary to resort to expensive filtering processes in order to accomplish this.

By actual experiment water taken from the channel of the river, settled to such an extent as to become clear after 48 hours of perfect quiet, and I have recommended to you basins of such size as to allow you with economical pumping to always deliver to the consumers water that has been that length of time in perfect quiet, while by a simple arrangement of pipes you can take such advantage of the natural formation of the Reservoir site, that the cleaning of basins can be done at frequent intervals and at slight expense.

The cost of the above mentioned system of works will approximate to $600,000 but in my opinion the prospective income will justify such expenditure.

Leaving out of consideration any contract you may be able to obtain from the City and Boroughs for fire protection and flushing of sewers, and estimating on the present population of 35,000 alone I arrive at the following conclusions.

Estimating 5½ persons to the family there should not be less than 6300 families within the district to be supplied. Taking 25 per cent. of these as a fair proportion for water consumers, we have 1575 consumers for private taps use on premises, both tubs, sprinkling, etc. Estimating these at $25.00 per family per annum, we have a total of $39,375.00

from private families, stores and smaller manufacturing establishments. The Pennsylvania Military Academy alone will probably pay not less than $1000.00 per year.

Then considering the larger manufacturing industries, many of which now use not less than 100,000 to 300,000 gallons of water per day, the number of steam boilers operated in the city, and the vastly superior character of the water you will furnish them compared to that they now use, I think you will be justified in estimating on not less than $20,000 to $30,000 additional revenue per annum within the next two or three years.

Besides this you can no doubt obtain both from city and boroughs, contracts for fire protection, and for flushing of sewers. The present water supply being very inadequate for these purposes. The old company have now in operation two pumps of 1,000,000 gallons capacity each, pumping water to a reservoir of about 1,000,000 gallons capacity and situated not over 80 feet above the general level of city streets. The service furnished by these works is not only totally inadequate for the needs of the city, but cannot possibly be improved by the company having them now in charge. Their pipe system is only about 15 miles in length, in sizes from 10 inches to 4 inches, or even smaller, and the water they furnish is not only unsettled and muddy, but cannot be supplied to the upper stories of the majority of the houses of city. I would state that in my opinion the old company need not be considered as entering in any way into the question of a new supply of water for the City of Chester.

Regretting that the limited time at my disposal did not enable me to report more fully on the details of the plan I have recommended, I have the honor to be

Yours Very Truly

E. F. FULLER.

EXHIBIT A4, Oct. 4, 89. E. Z. B.

(Form of Report for year in which any dividend has been declared. Both pages of this blank are to be used in all cases where no dividend has been declared, and where the dividends declared do not amount to six per cent. on the whole Capital Stock. Where the dividends are equal to or greater than six per cent., the first page of this blank, when properly filled, will be a sufficient report.)

REPORT OF THE SOUTH CHESTER WATER COMPANY, FOR THE YEAR ENDING FIRST MONDAY OF NOVEMBER, A. D. 1885.

OFFICE OF THE SOUTH CHESTER WATER COMPANY,

CHESTER, PA., Decr. 5, 1885

To the Auditor General of Pennsylvania:

Agreeably to law, as Treasurer of the above Company, I make the following report, viz:

Total authorized Capital of Company, One thousand dollars

Whole number of shares of Stock authorized, Ten (10)

Number of shares of stock issued, Ten (10)

Par value of each share, One hundred dollars ($100.00)

Amount paid into the Treasury of the Company on each share, $100

Amount of Capital paid in, One thousand dollars ($1000.00)

Amount of Capital upon which dividends were declared, None

Date of each dividend declared, None

Amount of each dividend declared, None

Rate per cent. of each dividend, None

Rate per cent. per annum of all dividends, None

Amount of profit added to Sinking Fund, None

(Signed) JOSEPH T. DE SILVER
Treasurer.

PENNSYLVANIA *ss:*

On this seventh day of December A. D. 1885, personally appeared before me, a in and for the aforesaid, Joseph T. De Silver,

Treasurer of the South Chester Water Company, who being duly sworn according to law, did depose and say, that the foregoing report is just and true, according as the accounts stand in the books of the Company, and that it includes all dividends, whether in cash, stock, scrip or of any other character or description, declared by said Company during the year ending on the first Monday of November, A. D. 1885, and that the amount of profit added to the Sinking Fund of this Company during the said year, without a division thereof amongst its stockholders, was None as above stated.

Sworn to and subscribed before me, the day and year aforesaid.

EDWD. S. BUCHEY
Notary Public, Alderman, or Justice of the Peace.
[SEAL]

(Signed)
JOSEPH T. DE SILVER
Treasurer.

(Report and appraisement for the year in which no dividend or a dividend of less than six per cent. has been declared, as shown by first page of this Report.)

REPORT AND APPRAISEMENT OF THE SOUTH CHESTER WATER COMPANY, FOR THE YEAR ENDING FIRST MONDAY OF NOVEMBER, 1885.

ss:

On this seventh day of December A. D. 1885, before me, the subscriber a in and for the said personally appeared Jos. T. De Silver Treasurer, and Wm. H. Miller Secretary, of the South Chester Water Company, who, being by me severally duly sworn or affirmed, did say that the amount of Capital paid in of said Company is One thousand dollars and that said Company declared no dividend in cash, stock, scrip or of any other character or description during the year ending first Monday of November, 1885, save the dividends herein reported, and that they will, with fidelity, according to the best of their knowledge and belief, estimate and appraise the Capital Stock of

said Company at its actual value in cash, as it existed between the 1st and 15th days of November, A. D. 1885, not less, however, than the average price which said stock sold for during said year, and not less than the price or value as indicated or measured by the amount of the dividends made or declared during the year, and that the amount of profit added to the Sinking Fund of this Company during the said year, without a division thereof amongst its stockholders was None.

Sworn or affirmed before me, the day and year aforesaid.

EDWD. S. BUCHEY
Notary Public, Alderman, or Justice of the Peace.

(Signed)
JOSEPH T. DE SILVER
Treasurer.
W. H. MILLER
Secretary.

OFFICE OF THE SOUTH CHESTER WATER COMPANY,

CHESTER, PA., Decr. 5, 1885.

We, the Undersigned, Being the Treasurer and Secretary of the South Chester Water Company, do certify, that in pursuance of our aforesaid oaths or affirmations, we have estimated and appraised the Capital Stock of said Company at its actual value in cash, as follows, viz: Ten (10) shares, at One hundred ($100.00) dollars and no cents per share, amounting in the whole to One thousand ($1000) Dollars.

In Witness Whereof, We have hereunto set our hands the day and year aforesaid.

(Signed) JOS. T. DE SILVER
Treasurer.

W. H. MILLER
Secretary.

South Chester Water Company In account with the Commonwealth of Pennsylvania, Dr.

For tax on Capital Stock, per act of June 7th, 1879, for the year ending the first Monday of November, 1885, as per report herewith filed.

Incorporated June 27, 1885.

Appraised value of Capital Stock, $1000.

Tax three mills for one year $3.00.

Tax for four-twelfths of a year $1.00.

Due Commonwealth, $1.00.

(This account bears interest at rate of 12 per centum per annum from sixty days after date of State Treasurer's approval. Return this with check in payment of amount due to State Treasurer. Give post-office address of Company.)

AUDITOR GENERAL'S DEPARTMENT.
HARRISBURG, Jan. 7 1886
Settled and entered:
JEROME B. NILES
Auditor General.

TREASURY DEPARTMENT OF PA.
HARRISBURG, Jany. 12 1886
Approved:
W. LIVSEY
State Treasurer.

JOS. T. DE SILVER,
Tr.
CHESTER, PA.

(Form of Report for year in which any dividend has been declared. Both pages of this blank are to be used in all cases where no dividend has been declared, and where the dividends declared do not amount to six per cent. on the whole Capital Stock. Where the dividends are equal to or greater than six per cent., the first page of this blank, when properly filled, will be a sufficient report.)

REPORT OF THE SOUTH CHESTER WATER COMPANY, FOR THE YEAR ENDING FIRST MONDAY OF NOVEMBER, A. D. 1886.

OFFICE OF THE SOUTH CHESTER WATER COMPANY,

CHESTER, PA., Novem 18th 1886.

To the Auditor General of Pennsylvania:

Agreeably to law, as Treasurer of the above Company, I make the following report, viz:

Total authorized Capital of Company, One thousand dollars

Whole number of shares of Stock authorized, Ten (10)

Number of shares of stock issued, Ten (10)

Par value of each share, One hundred dollars ($100.00)

Amount paid into the Treasury of the Company on each share, $100

Amount of Capital paid in, One thousand dollars ($1000.00)

Amount of Capital upon which dividends were declared, None

Date of each dividend declared, None

Amount of each dividend declared, None

Rate per cent. of each dividend, None

Rate per cent. per annum of all dividends, None

Amount of profit added to Sinking Fund, None

(Signed) Jos. T. De Silver
Treasurer.

Pennsylvania, *ss:*

On this thirtieth day of December A. D. 1886, personally appeared before me, a Notary Public in and for the County aforesaid, Joseph T. De Silver Treasurer of the South Chester Water Company, who being duly sworn according to law, did depose and say, that the foregoing report is just and true, according as the accounts stand in the books of the Company, and that it includes all dividends, whether in cash, stock, scrip or of any other character or description, declared by said Company during the year ending on the first Monday of November, A. D. 1886, and that the amount of profit added to the Sinking Fund of this company during the said year, without a division thereof amongst its stockholders, was None as above stated.

Sworn to and subscribed before me, the day and year aforesaid.

H. R. Schultz
Notary Public.

[SEAL]

(Signed)
Jos. T. De Silver
Treasurer.

(Report and appraisement for the year in which no dividend or a dividend of less than six per cent. has been declared, as shown by first page of this Report.)

REPORT AND APPRAISEMENT OF THE SOUTH CHESTER WATER COMPANY, FOR THE YEAR ENDING FIRST MONDAY OF NOVEMBER, 188

PENNSYLVANIA, *ss.*

On this thirtieth day of December A. D. 1886, before me, the subscriber a Notary Public in and for the said County personally appeared Jos. T. De Silver Treasurer, and William H. Miller Secretary, of the South Chester Water Company, who, being by me severally duly sworn or affirmed, did say that the amount of Capital paid in of said Company is One thousand dollars and that said Company declared no dividend in cash, stock, scrip or of any other character or description during the year ending first Monday of November, 1886, save the dividends herein reported, and that they will, with fidelity, according to the best of their knowledge and belief, estimate and appraise the Capital Stock of said Company at its actual value in cash, as it existed between the 1st and 15th days of November, A. D. 1886, not less, however, than the average price which said stock sold for during said year, and not less than the price or value as indicated or measured by the amount of the dividends made or declared during the year, and that the amount of profit added to the Sinking Fund of this Company during the said year, without a division thereof amongst its stockholders was none.

Sworn or affirmed before me, the day and year aforesaid.

H. R. SCHULTZ
Notary Public.

(Signed)
JOS. T. DE SILVER
Treasurer.
WM. H. MILLER
Secretary.

OFFICE OF THE SOUTH CHESTER WATER COMPANY,

CHESTER, PA. Novem. 18, 1886

We, the Undersigned, Being the Treasurer and Secretary of the South Chester Water Company, do certify, that in pursuance of our aforesaid oaths or affirmations, we have estimated

and appraised the Capital Stock of said Company at its actual value in cash, as follows, viz: Ten (10) shares, at One hundred dollars per share, amounting in the whole to One thousand dollars.

In Witness Whereof, We have hereunto set our hands the day and year aforesaid.

(Signed) Jos. T. De Silver
Treasurer.

Wm. H. Miller
Secretary.

South Chester Water Company In account with the Commonwealth of Pennsylvania, Dr.

For Tax on Capital Stock, per act of June 7th, 1879, for the year ending the first Monday of November, 1886, as per report herewith filed.

Appraised value of Capital Stock, $1,000.

Tax three mills, $3.00

Due Commonwealth, $3.00

(This account bears interest at rate of 12 per centum per annum from sixty days after date of State Treasurer's approval. Return this with check in payment of amount due to State Treasurer. Give post-office address of Company.)

Auditor General's Department,
Harrisburg, Jany 24 1887
Settled and entered:
R. S. Frazer, for
J. B. Niles
Auditor General.

Treasury Department of Pa.,
Harrisburg, Feby 21 1887
Approved:
M. S. Quay
State Treasurer.

Jos. T. De Silver
Tr.
Chester, Pa.

(Form of Report for year in which any dividend has been declared. Both pages of this blank are to be used in all cases where no dividend has been declared, and where the dividends declared do not amount to six per cent. on the whole Capital Stock. Where the dividends are equal to or greater than six per cent., the first page of this blank, when properly filled, will be a sufficient report.)

REPORT OF THE SOUTH CHESTER WATER COMPANY, FOR THE YEAR ENDING FIRST MONDAY OF NOVEMBER, A. D. 1887,

OFFICE OF THE SOUTH CHESTER WATER COMPANY,

CHESTER, PA December 27 1887

To the Auditor General of Pennsylvania :

Agreeably to law, as Treasurer of the above Company, I make the following report, viz :

Total authorized Capital of Company, $600,000

Whole number of shares of Stock authorized, 6,000

Number of shares of stock issued, 6,000

Par value of each share, $100.

Amount paid into the Treasury of the Company on each share, $100

Amount of Capital paid in, $600,000

Amount of Capital upon which dividends were declared, None

Date of each divided declared, None

Amount of each dividend declared, None

Rate per cent. of each dividend, None

Rate per cent. per annum of all dividends, None

Amount of profit added to Sinking Fund, None

(Signed) E. WOLTMANN
Treasurer.

STATE OF NEW YORK }
CITY AND COUNTY OF NEW YORK } *ss.*

On this 28th day of December A. D. 1887, personally appeared before me, a Commissioner for Pennsylvania in and for

the City and County aforesaid, E. Woltmann Treasurer of the South Chester Water Company, who being duly sworn according to law, did depose and say, that the foregoing report is just and true, according as the accounts stand in the books of the Company, and that it includes all dividends, whether in cash, stock, scrip or of any other character or description, declared by said Company during the year ending on the first Monday of November, A. D. 1887, and that the amount of profit added to the Sinking Fund of this Company during the the said year, without a division thereof amongst its stockholders, was nothing as above stated.

Sworn to and subscribed before me,
the day and year aforesaid.
GEO. H. CORRY
Commissioner for the State of
[SEAL] *Pennsylvania,*
Office, 60 Wall Street, N. Y.

(Signed)
E. WOLTMANN
Treasurer.

(Report and appraisement for the year in which no dividend or a dividend of less than six per cent. has been declared, as shown by first page of this Report.)

REPORT AND APPRAISEMENT OF THE SOUTH CHESTER WATER COMPANY, FOR THE YEAR ENDING FIRST MONDAY OF NOVEMBER 1887

STATE OF NEW YORK }
CITY AND COUNTY OF NEW YORK } *ss.*

On this 28th day of December A. D. 1887, before me, the subscriber a Commissioner for Pennsylvania in and for the said City and County personally appeared E. Woltmann Treasurer of the South Chester Water Company, who being by me severally duly sworn or affirmed, did say that the amount of Capital paid in of said Company is $600,000.00 and that said Company declared no dividend in cash, stock, scrip or of any other character or description during the year ending first Monday of November, 1887, and that they will, with fidelity, according to the best of their knowledge and

belief, estimate and appraise the Capital Stock of said Company at its actual value in cash, as it existed between the 1st and 15th days of November, A. D. 1887, not less, however, than the average price which said stock sold for during said year, and not less than the price or value as indicated or measured by the amount of the dividends made or declared during the year, and that the amount of profit added to the Sinking Fund of this Company during the said year, without a division thereof amongst its stockholders was nothing.

Sworn or affirmed before me, the day and year aforesaid.
GEO. H. CORRY
Commissioner for the State of Pennsylvania
Office, 60 Wall St. New York.

(Signed)
E. WOLTMANN
Treasurer.

OFFICE OF THE SOUTH CHESTER WATER COMPANY,

CHESTER, PA. December 27 1887

We, the Undersigned, Being the Treasurer and Secretary of the South Chester Water Company, do certify, that in pursuance of our aforesaid oaths or affirmations, we have estimated and appraised the Capital Stock of said Company at its actual value in cash, as follows, viz: 6000 shares, at five (5) cents per share, amounting in the whole to Three Hundred dollars.

In Witness Whereof, We have hereunto set our hands the day and year aforesaid.

(Signed) E. WOLTMANN
Treasurer.

W. H. MILLER
Secretary.

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South Chester Water Company In account with the Commonwealth of Pennsylvania, Dr.

For Tax on Capital Stock, per act of June 7th, 1879, for the year ending the first Monday of November, 1887, as per report herewith filed.

Appraised value of Capital Stock, $300.00

Tax three mills 90

Due Commonwealth, 90

(This account bears interest at rate of 12 per centum per annum from sixty days after date of State Treasurer's approval. Return this with check in payment of amount due to State Treasurer. Give post-office address of Company.)

AUDITOR GENERAL'S DEPARTMENT,
HARRISBURG, Feby 1 1888
Settled and Entered:
JOHN A. GLENN
for A. WILSON NORRIS
Auditor General.

TREASURY DEPARTMENT OF PA.,
HARRISBURG, Feby 27 1888
Approved:
W. LIVSEY
State Treasurer.

E. WOLTMANN,
60 Wall St.,
N. Y.

AUDITOR GENERAL'S DEPARTMENT.

HARRISBURG, Pa., Feb. 21, 1889.

SEAL.

I hereby Certify, that the foregoing is a copy of the original remaining on file in this Department.

Witness my hand and Seal of Office, the day and year above written.

THOMAS MCCAMANT
Auditor General.

EXHIBIT A5, Oct. 4, 89. E. Z. B.

(Form of Report for year in which any dividend has been declared. Both pages of this blank are to be used in all cases where no dividend has been declared, and where the dividends declared do not amount to six per cent. on the whole Capital Stock. Where the dividends are equa to or greater than six per cent., the first page of this blank, when properly filled, will be a sufficient report.)

REPORT OF THE SOUTH CHESTER WATER COMPANY, FOR THE YEAR ENDING FIRST MONDAY OF NOVEMBER, A. D 1888.

OFFICE OF THE SOUTH CHESTER WATER COMPANY,

CHESTER, PA., Decemr. 1888.

To the Auditor General of Pennsylvania:

Agreeably to law, as Treasurer of the above Company, I make the following report, viz.:

Total authorized Capital of Company, $600.000.

Whole number of shares of Stock authorized, Six thousand

Number of shares of stock issued, Six thousand (6.000)

Par value of each share, One hundred dollars ($100).

Amount paid into the Treasury of the Company on each share, $10 in cash and $90 in work and material under construction contract.

Amount of Capital paid in, Six hundred thousand dollars

Amount of Capital upon which dividends were declared, None

Date of each dividend declared, None

Amount of each dividend declared, None

Rate per cent. of each dividend, None

Rate per cent. per annum of all dividends, None

Amount of profit added to Sinking Fund, None

(Signed) WALTER WOOD
Treasurer.

STATE OF PENNSYLVANIA,
CITY AND COUNTY OF PHILADELPHIA, } *ss.*

On this Eleventh day of January, A. D. 1889, personally appeared before me, a Notary Public in and for the City and

County aforesaid, Walter Wood Treasurer of the South Chester Water Company, who being duly affirmed according to law, did depose and say, that the foregoing report is just and true, according as the accounts stand in the books of the Company, and that it includes all dividends, whether in cash, stock, scrip or of any other character or description, declared by said Company during the year ending on the first Monday of November, A. D. 1888, and that the amount of profit added to the Sinking Fund of this Company during the said year, without a division thereof amongst its stockholders, was None as above stated.

Affirmed to and subscribed before me, the day and year aforesaid.

(Signed) ARCHER MCLEARN
[SEAL] *Notary Public.*

(Signed)
WALTER WOOD
Treasurer.

(Report and appraisement for the year in which no dividend or a dividend of less than six per cent. has been declared, as shown by first page of this Report.)

REPORT AND APPRAISEMENT OF THE SOUTH CHESTER WATER COMPANY, FOR THE YEAR ENDING FIRST MONDAY OF NOVEMBER, 1888.

STATE OF PENNSYLVANIA,
CITY AND COUNTY OF PHILADELPHIA, } *ss.*

On this Eleventh day of January A. D. 1889, before me, the subscriber a Notary Public in and for the said City and County personally appeared Walter Wood Treasurer, and W. H. Miller Secretary, of the South Chester Water Company, who, being by me severally duly affirmed, did say that the amount of Capital paid in of said Company is Six hundred thousand dollars in cash and construction as aforesaid and that said Company declared no dividend in cash, stock, scrip or of any other character or description during the year ending first Monday of November, 1888, save the dividends herein reported, and that they will, with fidelity, according to the best of their knowledge and belief, estimate and appraise the

Capital Stock of said Company at its actual value in cash, as it existed between the 1st and 15th days of November, A. D. 1888, not less, however, than the average price which said stock sold for during said year, and not less than the price or value as indicated or measured by the amount of the dividends made or declared during the year, and that the amount of profit added to the Sinking Fund of this Company during the said year, without a division thereof amongst its stockholders was None.

Affirmed before me, the day and year aforesaid.

(Signed) ARCHER MCLEARN
Notary Public.

(Signed) WALTER WOOD
Treasurer.
W. H. MILLER
Secretary.

OFFICE OF THE SOUTH CHESTER WATER COMPANY,

CHESTER, PA. Decemr., 1888.

We, the Undersigned, Being the Treasurer and Secretary of the South Chester Water Company, do certify, that in pursuance of our aforesaid oaths or affirmations, we have estimated and appraised the Capital Stock of said Company at its actual value in cash, as follows, viz.: 6.000 shares, at Twenty five dollars per share, amounting in the whole to One hundred & fifty thousand Dollars.

In Witness Whereof, We have hereunto set our hands the day and year aforesaid.

(Signed) WALTER WOOD
Treasurer.
W. H. MILLER
Secretary.

AUDITOR GENERAL'S DEPARTMENT.

HARRISBURG, PA., March 7 1889

I hereby Certify, that the foregoing is a true copy of the original remaining on file in this Department.

Witness my hand and Seal of Office, the day and year above written.

THOMAS MCCAMANT
Auditor General.

[SEAL]

EXHIBIT A6, Oct. 4, 89. E. Z. B.

(Form of Report for year in which any dividend has been declared. Both pages of this blank are to be used in all cases where no dividend has been declared, and where the dividends declared do not amount to six per cent. on the whole Capital Stock. Where the dividends are equal to or greater than six per cent., the first page of this blank, when properly filled, will be a sufficient report.)

REPORT OF THE NEW CHESTER WATER COMPANY, FOR THE YEAR ENDING FIRST MONDAY OF NOVEMBER, A. D. 1887.

OFFICE OF THE NEW CHESTER WATER COMPANY,

CHESTER PA. December 27th 1887

To the Auditor General of Pennsylvania:

Agreeably to law, as Treasurer of the above Company, I make the following report, viz:

Total authorized Capital of Company, $1.000.000.

Whole number of shares of Stock authorized, 20.000.

Number of shares of stock issued, 20.000.

Par value of each share, $50.

Amount paid into the Treasury of the Company on each share, $50.

Amount of Capital paid in, $1.000.000.

Amount of Capital upon which dividends were declared, none

Date of each dividend declared, none

Amount of each dividend declared, none

Rate per cent. of each dividend, none

Rate per cent. per annum of all dividends, none

Amount of profit added to Sinking Fund, none

E. WOLTMANN
Treasurer.

STATE OF NEW YORK
CITY AND COUNTY OF NEW YORK } *ss:*

On this 28th day of December A. D. 1887, personally appeared before me, a Commissioner for Pennsylvania in and

for the City and County aforesaid, E. Woltmann Treasurer of the New Chester Water Company, who being duly sworn according to law, did depose and say, that the foregoing report is just and true, according as the accounts stand in the books of the Company, and that it includes all dividends, whether in cash, stock, scrip or of any other character or description, declared by said Company during the year ending on the first Monday of November, A. D. 1887, and that the amount of profit added to the Sinking Fund of this Company during the said year, without a division thereof amongst its stockholders, was nothing as above stated.

Sworn to and subscribed before me, the day and year aforesaid.
GEO. H. CORRY
Commissioner for the State of
[SEAL] *Pennsylvania*
Office, 60 Wall Street, N. Y.

E. WOLTMANN
Treasurer.

(Report and appraisement for the year in which no dividend or a dividend of less than six per cent. has been declared, as shown by first page of this Report.)

REPORT AND APPRAISEMENT OF THE NEW CHESTER WATER COMPANY, FOR THE YEAR ENDING FIRST MONDAY OF NOVEMBER, 1887.

STATE OF NEW YORK
CITY AND COUNTY OF NEW YORK } *ss:*

On this 28th day of December A. D. 1887, before me, the subscriber a Commissioner for Pennsylvania in and for the said City and County personally appeared E. Woltmann Treasurer, and of the New Chester Water Company, who, being by me duly sworn or affirmed, did say that the amount of Capital paid in of said Company is $1.000.000. and that said Company declared no dividend in cash, stock, scrip or of any other character or description during the year ending first Monday of November, 1887, and that they will, with fidelity, according to the best of their knowledge and belief,

estimate and appraise the Capital Stock of said Company at its actual value in cash, as it existed between the 1st and 15th days of November, A. D. 1887, not less, however, than the average price which said stock sold for during said year, and not less than the price or value as indicated or measured by the amount of the dividends made or declared during the year, and that the amount of profit added to the Sinking Fund of this Company during the said year, without a division thereof amongst its stockholders was nothing

Sworn or affirmed before me, the day and year aforesaid.
GEO. H. CORRY
Commissioner for the State of
[SEAL] *Pennsylvania*
Office, 60 Wall Street, N. Y.

E. WOLTMANN
Treasurer.

OFFICE OF THE NEW CHESTER WATER COMPANY,

CHESTER, PA. December 27th, 1887

We, the Undersigned, Being the Treasurer and Secretary of the New Chester Water Company, do certify, that in pursuance of our aforesaid oaths or affirmations, we have estimated and appraised the Capital Stock of said Company at its actual value in cash, as follows, viz: 20.000 shares, at five (5) cents per share, amounting in the whole to One Thousand Dollars.

In Witness Whereof, We have hereunto set our hands the day and year aforesaid.

E. WOLTMANN
Treasurer.

W. H. MILLER
Secretary.

New Chester Water Co. In account with the Commonwealth of Pennsylvania, Dr.

For Tax on Capital Stock, per act of June 7th, 1879, for the year ending the first Monday of November, 1887, as per report herewith filed.

Appraised value of Capital Stock, $1.000.00
Tax three mills. $3.00
Due Commonwealth, $3.00

(This account bears interest at rate of 12 per centum per annum from sixty days after date of State Treasurer's approval. Return this with check in payment of amount due to State Treasurer. Give post-office address of Company.)

AUDITOR GENERAL'S DEPARTMENT,
HARRISBURG, Jany. 31 1888
Settled and entered:
JNO. A. GLENN
For A. WILSON NORRIS
Auditor General.

TREASURY DEPARTMENT OF PA.,
HARRISBURG, Feby. 27 1888
Approved:
W. LIVSEY,
State Treasurer.

E. WOLTMANN
Chester

(Form of Report for year in which any dividend has been declared. Both pages of this blank are to be used in all cases where no dividend has been declared, and where the dividends declared do not amount to six per cent. on the whole Capital Stock. Where the dividends are equal to or greater than six per cent., the first page of this blank, when properly filled, will be a sufficient report.)

REPORT OF THE NEW CHESTER WATER COMPANY, FOR THE YEAR ENDING FIRST MONDAY OF NOVEMBER, A. D. 1886.

OFFICE OF THE NEW CHESTER WATER COMPANY,
CHESTER, PENNA. Novr 18th 1886

To the Auditor General of Pennsylvania:

Agreeably to law, as Treasurer of the above Company, I make the following report, viz:

Total authorized Capital of Company, Five hundred thousand dollars

Whole number of shares of Stock authorized, Ten thousand (10.000)

Number of shares of stock issued, Two hundred and Sixty five (265)

Par value of each share, Fifty dollars, with no market value & no sales

Amount paid into the Treasury of the Company on each share, the par value of above 265 shares issued for services rendered, cash and otherwise

Amount of Capital paid in, $13.250

Amount of Capital upon which dividends were declared, none

Date of each dividend declared, none

Amount of each dividend declared, none

Rate per cent. of each dividend, none

Rate per cent. per annum of all dividends, none

Amount of profit added to Sinking Fund, none

W. H. MILLER
Treasurer.

PHILADELPHIA *ss:*

On this Thirtieth day of December A. D. 1886, personally appeared before me, a Notary Public in and for the County aforesaid, W. H. Miller Treasurer of the New Chester Water Company, who being duly sworn according to law, did depose and say, that the foregoing report is just and true, according as the accounts stand in the books of the Company, and that it includes all dividends, whether in cash, stock, scrip or of any other character or description, declared by said Company during the year ending on the first Monday of November, A. D. 1886, and that the amount of profit added to the Sinking Fund of this Company during the said year, without a division thereof amongst its stockholders, was none as above stated.

Sworn to and subscribed before me, the day and year aforesaid.

H. R. SHULTZ
[SEAL] *Notary Publci*

W. H. MILLER
Treasurer.

3 [illegible] 4

(Report and appraisement for the year in which no dividend or a dividend of less than six per cent. has been declared, as shown by first page of this Report.)

REPORT AND APPRAISEMENT OF THE NEW CHESTER WATER COMPANY, FOR THE YEAR ENDING FIRST MONDAY OF NOVEMBER, 1886.

PHILADELPHIA *ss:*

On this Thirtieth day of December A. D. 1886, before me, the subscriber a Notary Public in and for the said County personally appeared W. H. Miller Treasurer, and W. H. Miller Secretary, of the New Chester Water Company, who, being by me severally duly sworn or affirmed, did say that the amount of Capital paid in of said Company is $13.250 in Cash & services as stated and that said Company declared no dividend in cash, stock, scrip or of any other character or description during the year ending first Monday of November, 1886, save the dividends herein reported, and that they will, with fidelity, according to the best of their knowledge and belief, estimate and appraise the Capital Stock of said Company at its actual value in cash, as it existed between the 1st and 15th days of November, A. D. 1886, not less, however, than the average price which said stock sold for during said year, and not less than the price or value as indicated or measured by the amount of the dividends made or declared during the year, and that the amount of profit added to the Sinking Fund of this Company during the said year, without a division thereof amongst its stockholders was none.

Sworn or affirmed before me, the day and year aforesaid.
H. R. SHULTZ *Notary Public*
[SEAL]

W. H. MILLER *Treasurer.*
W. H. MILLER *Secretary.*

OFFICE OF THE NEW CHESTER WATER COMPANY,

CHESTER PENNA. Novr 18, 1886

We, the undersigned, Being the Treasurer and Secretary of the New Chester Water Company, do certify, that in pursu-

ance of our aforesaid oaths or affirmations, we have estimated and appraised the Capital Stock of said Company at its actual value in cash, as follows, viz: 265 shares, actually issued at a total valuation of and amounting in the whole to Four thousand ($4.000.) Dollars.

In Witness Whereof, We have hereunto set our hands the day and year aforesaid.

W. H. MILLER
Treasurer.

W. H. MILLER
Secretary.

New Chester Water Company In account with the Commonwealth of Pennsylvania, Dr.

For Tax on Capital Stock, per act of June 7th, 1879, for the year ending the first Monday of November, 1886, as per report herewith filed.

Appraised value of Capital Stock, $4.000.00
Tax three mills. $12.00
Due Commonwealth, $12.00

(This account bears interest at rate of 12 per centum per annum from sixty days after date of State Treasurer's approval. Return this with check in payment of amount due to State Treasurer. Give post-office address of Company.)

AUDITOR GENERAL'S DEPARTMENT,
HARRISBURG, Jan. 21 1887
Settled and entered:
JEROME B. NILES
Auditor General.

TREASURY DEPARTMENT OF PA.,
HARRISBURG, Feby. 17 1887
Approved:
M. S. QUAY
State Treasurer.

W. H. MILLER Tr.
Chester, Pa.

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(Report and appraisement for the year in which no dividend or a dividend of less than six per cent. has been declared, as shown by first page of this Report.)

REPORT AND APPRAISEMENT OF THE NEW CHESTER WATER COMPANY, FOR THE YEAR ENDING FIRST MONDAY OF NOVEMBER, 1886.

PHILADELPHIA *ss:*

On this Thirtieth day of December A. D. 1886, before me, the subscriber a Notary Public in and for the said County personally appeared W. H. Miller Treasurer, and W. H. Miller Secretary, of the New Chester Water Company, who, being by me severally duly sworn or affirmed, did say that the amount of Capital paid in of said Company is $13.250 in Cash & services as stated and that said Company declared no dividend in cash, stock, scrip or of any other character or description during the year ending first Monday of November, 1886, save the dividends herein reported, and that they will, with fidelity, according to the best of their knowledge and belief, estimate and appraise the Capital Stock of said Company at its actual value in cash, as it existed between the 1st and 15th days of November, A. D. 1886, not less, however, than the average price which said stock sold for during said year, and not less than the price or value as indicated or measured by the amount of the dividends made or declared during the year, and that the amount of profit added to the Sinking Fund of this Company during the said year, without a division thereof amongst its stockholders was none.

Sworn or affirmed before me, the day and year aforesaid. } W. H. MILLER *Treasurer.*

H. R. SHULTZ *Notary Public* } W. H. MILLER *Secretary.*

[SEAL]

OFFICE OF THE NEW CHESTER WATER COMPANY,

CHESTER PENNA. Novr 18, 1886

We, the undersigned, Being the Treasurer and Secretary of the New Chester Water Company, do certify, that in pursu-

ance of our aforesaid oaths or affirmations, we have estimated and appraised the Capital Stock of said Company at its actual value in cash, as follows, viz: 265 shares, actually issued at a total valuation of and amounting in the whole to Four thousand ($4.000.) Dollars.

In Witness Whereof, We have hereunto set our hands the day and year aforesaid.

W. H. MILLER
Treasurer.

W. H. MILLER
Secretary.

New Chester Water Company In account with the Commonwealth of Pennsylvania, Dr.

For Tax on Capital Stock, per act of June 7th, 1879, for the year ending the first Monday of November, 1886, as per report herewith filed.

Appraised value of Capital Stock, $4.000.00
Tax three mills. $12.00
Due Commonwealth, $12.00

(This account bears interest at rate of 12 per centum per annum from sixty days after date of State Treasurer's approval. Return this with check in payment of amount due to State Treasurer. Give post-office address of Company.)

AUDITOR GENERAL'S DEPARTMENT,
HARRISBURG, Jan. 21 1887
Settled and entered:
JEROME B. NILES
Auditor General.

TREASURY DEPARTMENT OF PA.,
HARRISBURG, Feby. 17 1887
Approved:
M. S. QUAY
State Treasurer.

W. H. MILLER Tr.
Chester, Pa.

(Form of Report for year in which any dividend has been declared. Both pages of this blank are to be used in all cases where no dividend has been declared, and where the dividends declared do not amount to six per cent. on the whole Capital Stock. Where the dividends are equal to or greater than six per cent., the first page of this blank, when properly filled, will be a sufficient report.)

REPORT OF THE NEW CHESTER WATER COMPANY, FOR THE YEAR ENDING FIRST MONDAY OF NOVEMBER, A. D. 1885.

OFFICE OF THE NEW CHESTER WATER COMPANY,

CHESTER PA. Decr 30 1885

To the Auditor General of Pennsylvania:

Agreeably to law, as Treasurer of the above Company, I make the following report, viz:

Total authorized Capital of Company, $500.000

Whole number of shares of Stock authorized, Ten thousand (10.000)

Number of shares of stock issued, Three hundred (300)

Nominal Par value of each share, $50. with no market value & no sales

Amount paid into the Treasury of the Company on each share,

Amount of Capital paid in, $15.000. the par value of above 300 shares issued for services rendered, cash and otherwise

Amount of Capital upon which dividends were declared, none

Date of each dividend declared, none.

Amount of each dividend declared, none

Rate per cent. of each dividend, none

Rate per cent. per annum of all dividends, none

Amount of profit added to Sinking Fund, none

GEO. H. CHRISTIAN
Treasurer.

PENNSYLVANIA *ss:*

On this Thirty first day of December A. D. 1885, personally appeared before me, a Notary Public in and for the State

aforesaid, George H. Christian Treasurer of the New Chester Water Company, who being duly affirmed according to law, did depose and say, that the foregoing report is just and true, according as the accounts stand in the books of the Company, and that it includes all dividends, whether in cash, stock, scrip or of any other character or description, declared by said Company during the year ending on the first Monday of November, A. D. 1885, and that the amount of profit added to the Sinking Fund of this Company during the said year, without a division thereof amongst its stockholders, was none as above stated.

Sworn to and subscribed before me, the day and year aforesaid.

EDWD. L. BUCHEY
[SEAL] *Notary Public*

GEO. H. CHRISTIAN
Treasurer.
425 Chestnut St.
Philadelphia

(Report and appraisement for the year in which no dividend or a dividend of less than six per cent. has been declared, as shown by first page of this Report.)

REPORT AND APPRAISEMENT OF THE NEW CHESTER WATER COMPANY, FOR THE YEAR ENDING FIRST MONDAY OF NOVEMBER, 1885.

PENNSYLVANIA *ss:*

On this Thirty First day of December A. D. 1885, before me, the subscriber a Notary Public in and for the said State personally appeared Geo. H. Christian Treasurer, and Wm. H. Miller Secretary, of the New Chester Water Company, who, being by me severally duly sworn or affirmed, did say that the amount of Capital paid in of said Company is Fifteen thousand dollars in Cash and services as before stated and that said Company declared no dividend in cash, stock, scrip or of any other character or description during the year ending first Monday of November, 1885, save the dividends herein reported, and that they will, with fidelity, according to

the best of their knowledge and belief, estimate and appraise the Capital Stock of said Company at its actual value in cash, as it existed between the 1st and 15th days of November, A. D. 1885, not less, however, than the average price which said stock sold for during said year, and not less than the price or value as indicated or measured by the amount of the dividends made or declared during the year, and that the amount of profit added to the Sinking Fund of this Company during the said year, without a division thereof amongst its stockholders was none.

Sworn or affirmed before me, the day and year aforesaid.

EDWD. L. BUCHEY
[SEAL] *Notary Public*

GEO. H. CHRISTIAN
Treasurer.

W. H. MILLER
Secretary.

OFFICE OF THE NEW CHESTER WATER COMPANY,

CHESTER PENNA. Decemr 31, 1885

We, the Undersigned, Being the Treasurer and Secretary of the New Chester Water Company, do certify, that in pursuance of our aforesaid oaths or affirmations, we have estimated and appraised the Capital Stock of said Company at its actual value in cash, as follows, viz: Three hundred shares, actually issued at a total valuation of and amounting in the whole to Four thousand ($4.000.) Dollars. The remaining shares of authorized Capital not issued and nothing paid thereon.

In Witness Whereof, We have hereunto set our hands the day and year aforesaid.

GEO. H. CHRISTIAN
Treasurer.

W. H. MILLER
Secretary.

425 Chestnut St. Philada.

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New Chester Water Company In account with the Commonwealth of Pennsylvania, Dr.

For Tax on Capital Stock, per act of June 7th, 1879, for the year ending the first Monday of November, 1885, as per report herewith filed.

Incorporated April 29—1885
Appraised value of Capital Stock, $4.000.00
Tax three mills. One year $12.00
For 6 months $6.00
Due Commonwealth, $6.00

(This account bears interest at rate of 12 per centum per annum from sixty days after date of State Treasurer's approval. Return this with check in payment of amount due to State Treasurer. Give post-office address of Company.)

AUDITOR GENERAL'S DEPARTMENT,
HARRISBURG, Feby. 10 1886
Settled and entered:
JEROME B. NILES
Auditor General.

TREASURY DEPARTMENT OF PA.,
HARRISBURG, Mch. 23 1886
Approved:
W. LIVSEY
State Treasurer.

GEO. H. CHRISTIAN
Tr.
425 Chestnut St. Phila.

AUDITOR GENERAL'S DEPARTMENT.

HARRISBURG, PA., Feb. 21, 1889

I hereby Certify, that the foregoing is a true copy of the original remaining on file in this Department.

Witness my hand and Seal of Office, the day and year above written.

THOMAS MCCAMANT
Auditor General.

[SEAL]

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EXHIBIT A7, Oct. 4, 89. E. Z. B.

(Form of Report for year in which any dividend has been declared. Both pages of this blank are to be used in all cases where no dividend has been declared, and where the dividends declared do not amount to six per cent. on the whole Capital Stock. Where the dividends are equal to or greater than six per cent., the first page of this blank, when properly filled, will be a sufficient report.)

REPORT OF THE NEW CHESTER WATER COMPANY FOR THE YEAR ENDING FIRST MONDAY OF NOVEMBER, A. D. 1888.

OFFICE OF THE NEW CHESTER WATER COMPANY,

CHESTER PA. Decr 1888

To the Auditor General of Pennsylvania:

Agreeably to law, as Treasurer of the above Company, I make the following report, viz:

Total authorized Capital of Company, $1,000,000.

Whole number of shares of Stock authorized, 20,000.

Number of shares of stock issued, Twenty Thousand (20,000).

Par value of each share, Fifty Dollars ($50.)

Amount paid into the Treasury of the Company on each share, $5.00 in cash and $45.00 in work and material under construction contract.

Amount of Capital paid in, $1,000,000.

Amount of Capital upon which dividends were declared, None

Date of each dividend declared, None

Amount of each dividend declared, None

Rate per cent. of each dividend, None

Rate per cent. per annum of all dividends, None

Amount of profit added to Sinking Fund, None

(Signed) WALTER WOOD
Treasurer.

STATE OF PENNSYLVANIA, }
CITY AND COUNTY OF PHILADELPHIA, } *ss.*

On this Eleventh day of January A. D. 1889, personally appeared before me, a Notary Public in and for the City and

County aforesaid, Walter Wood Treasurer of the New Chester Water Company, who being duly affirmed according to law, did depose and say, that the foregoing report is just and true, according as the accounts stand in the books of the Company, and that it includes all dividends, whether in cash, stock, scrip or of any other character or description, declared by said Company during the year ending on the first Monday of November, A. D. 1888, and that the amount of profit added to the Sinking Fund of this Company during the said year, without a division thereof amongst its stockholders, was none as above stated.

Affirmed to and subscribed before me, the day and year aforesaid.
(Signed) ARCHER MCLEARN
[SEAL] *Notary Public.*

(Signed)
WALTER WOOD
Treasurer.

(Report and appraisement for the year in which no dividend or a dividend of less than six per cent. has been declared, as shown by first page of this Report.)

REPORT AND APPRAISEMENT OF THE NEW CHESTER WATER COMPANY, FOR THE YEAR ENDING FIRST MONDAY OF NOVEMBER, 1888.

STATE OF PENNSYLVANIA
CITY AND COUNTY OF PHILADELPHIA } *ss.*

On this Eleventh day of January, A. D. 1889, before me, the subscriber a Notary Public in and for the said City and County personally appeared Walter Wood Treasurer, and W. H. Miller Secretary, of the New Chester Water Company, who, being by me severally duly affirmed, did say that the amount of Capital paid in of said Company is One Million Dollars in cash and construction as aforesaid and that said Company declared no dividend in cash, stock, scrip or of any other character or description during the year ending first Monday of November, 1888, save the dividends herein reported, and that they will, with fidelity, according to the best of their knowledge and belief, estimate and appraise the capital Stock of said Company at its actual value in cash, as it existed between the 1st and 15th days of November, A. D.

1888, not less, however, than the average price which said stock sold for during said year, and not less than the price or value as indicated or measured by the amount of the dividends made or declared during the year, and that the amount of profit added to the Sinking Fund of this Company during the said year, without a division thereof amongst its stockholders was none.

Affirmed before me, the day and year aforesaid.
(Signed) ARCHER MCLEARN,
[SEAL] *Notary Public.*

(Signed)
WALTER WOOD
Treasurer.
W. H. MILLER
Secretary.

OFFICE OF THE NEW CHESTER WATER COMPANY,

CHESTER, PA. Decemr. 1888.

We, the undersigned, Being the Treasurer and Secretary of the New Chester Water Company, do certify, that in pursuance of our aforesaid oaths or affirmations, we have estimated and appraised the Capital Stock of said Company at its actual value in cash, as follows, viz: Twenty thousand shares, at Twelve dollars and fifty cents per share, amounting in the whole to Two hundred and fifty thousand Dollars.

In Witness Whereof, We have hereunto set our hands the day and year aforesaid.

(Signed) WALTER WOOD
Treasurer.
W. H. MILLER
Secretary.

AUDITOR GENERAL'S DEPARTMENT.

HARRISBURG, PA., March 7, 1889.

I hereby Certify, that the foregoing is a true copy of the original remaining on file in this Department.

Witness my hand and Seal of Office, the day and year above written.

THOMAS MCCAMANT,
[SEAL] *Auditor General.*

EXHIBIT A13, Oct. 4, 89. E. Z. B.

OFFICE OF THE SECRETARY OF THE COMMONWEALTH OF PENNSYLVANIA.

STATE OF PENNSYLVANIA }
COUNTY OF DELAWARE } ss.
CITY OF CHESTER }

Be it known that we the undersigned J. Larkin Forwood, William S. Mercer and William H. Miller being the Judges appointed by the Board of Directors of The New Chester Water Company to conduct an election of the Stockholders of the said Company for the purpose of voting for or against the following propositions,

1st To issue not exceeding $500,000 in the Bonds of this Company the payment of the same to be secured by a mortgage on all its property real and personal, and its rights, privileges and franchises.

2nd To guarantee the payment of the principal and interest of an amount of the bonds of The South Chester Water Company not to exceed $300,000 the payment of said bonds to be secured by a mortgage of all the property real and personal of the said South Chester Water Company and of all its rights privileges and franchises.

Do hereby certify that after having taken and subscribed an oath as provided by law, we conducted the aforesaid Election at the office of the said Company in Chester, Pennsylvania on the twenty first day of March A. D. 1887 the time and place fixed for the holding of said Meeting. Notice of the same by publication or otherwise having first been waived in writing by all the Stockholders of the aforesaid Company said Stockholders all being present in person (which waiver is hereto annexed) and that we received the votes of the said Stockholders in the manner provided by law

And we do hereby further certify that at the close of the aforesaid Election we counted the number of votes cast in favor and against the aforesaid propositions and that the result was as follows:

1st Ten thousand shares were voted in favor of the proposition to issue the bonds as aforesaid, payment of the same to be secured by a mortgage, and that there were no shares voted against the said proposition.

2nd Ten thousand shares were voted in favor of the proposition to guarantee the payment of the bonds as aforesaid and that there were no shares voted against the said proposition.

And we do further certify that the persons or bodies corporate holding the largest amount of the stock of the said Corporation have consented to each and every of the aforesaid propositions.

In Witness Whereof we have made and signed this return in duplicate this 21st day of March A. D. 1887.

J. L. Forwood
Wm. S. Mercer } *Judges*
Wm. H. Miller

Commonwealth of Penn'a
County of Delaware } *ss.*
City of Chester

Be it known that we the undersigned being all the stockholders of The New Chester Water Company, all being present this twenty first day of March A. D. 1887 have waived and do by these presents waive notice by publication or otherwise of the Stockholders meeting about to be held for the purpose of voting upon a proposition to increase Capital Stock of the said Company from $500,000 to $1,000,000.

To issue not exceeding $500,000 of its bonds, payment of the same to be secured by mortgage and to guarantee the payment of the Principal and interest of not exceeding $300,000 of the bonds of The South Chester Water Company payment of the same to be secured by mortgage.

J. L. Forwood,
W. H. Miller,
E. F. Fuller,
Charles M. Berrian,
Ellis Morrison,
Saml. R. Bullock & Co.

STATE OF PENNSYLVANIA }
CITY AND COUNTY OF PHILADELPHIA } *ss.*

William H. Miller of Philadelphia Penn'a being duly sworn, doth depose and say that he is the Secretary of the New Chester Water Company that the said Company is a Pennsylvania Corporation and was created by virtue of An Act entitled "An Act to provide for the incorporation and regulation of Certain Corporations" passed 29th April 1874 and the amendments and the supplements thereto with a capital stock of Five Hundred thousand ($500,000) dollars divided into ten thousand (10,000) shares of fifty dollars each.

And this deponent further says that on the 21st day of March A. D. 1887 the whole of the said Capital Stock of the said The New Chester Water Company was held for more than sixty (60) days prior to said date by the following named persons to the number of shares set opposite their respective names viz:

SAML. R. BULLOCK & Co. ninety nine hundred and ninety five shares		(9,995)
J. LARKIN FORWOOD	One Share	(1)
WILLIAM H. MILLER	One Share	(1)
E. F. FULLER	One Share	(1)
ELLIS MORRISON	One Share	(1)
CHAS. M. BERRIAN	One Share	(1)

And that the aforesaid persons constituted all the Stockholders of the said Company on the last mentioned date and entitled to vote at the Election held.

Sworn and subscribed before me this 15th day of April A. D. 1887.

H. R. SHULTZ
[SEAL] *Notary Public.*

WM. H. MILLER,
Secretary

STATE OF PENNSYLVANIA }
COUNTY OF DELAWARE } ss.
CITY OF CHESTER }

I hereby certify that the following is a true copy of a resolution this day passed by the Board of Directors of The New Chester Water Company and of each and every part thereof

" *Resolved* That a meeting of the stockholders of this Company be convened according to law to take action on the following propositions

1st To increase the Capital Stock of this Company from $500,000 to $1,000,000

2nd To issue not exceeding $500,000 in the bonds of this company, the payment of the same to be secured by a mortgage on all it property real and personal and its rights privileges and franchises.

3d To guarantee the payment of the principal and interest of and amount of the bonds of The South Chester Water Company not to exceed $300,000 the payment of said bonds to be secured by a mortgage of all the property real and personal of the said South Chester Water Company and of all its rights, privileges and franchises.

Be it further resolved That Messrs. William S. Mercer Dr. J. L. Forwood and Wm. H. Miller all being stockholders of this Company be and they are hereby appointed Judges for the purpose of holding said Election.

In Witness Whereof I have hereunto set my hand and affixed the seal of the said Company this 21st day of March A. D. 1887.

WM. H. MILLER,
[SEAL] *Secretary.*

Filed in the office of the Secretary of the Commonwealth, on the 21. day of April 1887.

J. H. LONGENECKER,
Deputy Secretary of the Commonwealth.

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OFFICE OF THE NEW CHESTER WATER COMPANY

CHESTER PA. April 6th 1887.

To the Hon Charles W Stone Secretary of the Commonwealth

This is to certify that by virtue of the consent of the Stockholders of The New Chester Water Company authorizing an Increase in the indebtedness thereof given at an election duly held for that purpose on the twenty-first day of March A. D. 1887. the indebtedness of the said Company has been increased by the issue of $500,000. of its Bonds, which are to be secured by a first mortgage on all its properties and franchises. And by a guarantee of the payment of the principal and interest of $300,000. of the Bonds of the South Chester Water Company which Bonds are secured by Mortgage on all the properties and franchises of said Company. Said indebtedness being given for money and property actually received by said Company for labor done.

J. L. FORWOOD
President

STATE OF PENNSYLVANIA }
COUNTY OF PHILADELPHIA } *ss.*

J. L. Forwood above named being sworn, says the facts set forth in the above certificate are correct and true.

Sworn and subscribed before me this 15th day of April A. D. 1887.

H. R. SHULTZ.
[SEAL] *Notary Public*

J. L. FORWOOD
President

Filed in the office of the Secretary of the Commonwealth, on the 21st day of April A. D. 1887

J. H. LONGENECKER
Deputy Secretary of the Commonwealth

OFFICE OF THE SECRETARY OF THE COMMONWEALTH.

HARRISBURG, March 29th A. D. 1889.

PENNSYLVANIA, *ss.*

SEAL.

I Do Hereby Certify, That the foregoing and annexed is a full, true and correct copy of the Election Return, and Certificate of Increase of Indebtedness of The New Chester Water Company," to an amount not exceeding $500,000, as the same remain on file in this office.

In Testimony Whereof, I have hereunto set my hand and aused the Seal of the Secretary's Office to be affixed the day nd year above written.

J H LONGENECKER
Deputy Secretary of the Commonwealth.

EXHIBIT A8, Oct. 4, 89. E. Z. B.

OFFICE OF THE SECRETARY OF THE COMMONWEALTH OF PENNSYLVANIA.

STATE OF PENNSYLVANIA }
COUNTY OF DELAWARE } *ss.*
CITY OF CHESTER }

Be it known that we the undersigned J. Larkin Forwood, William S. Mercer and William H. Miller being the Judges appointed by the Board of Directors of the Penn Water Company to conduct an election of the stockholders of the said Company for the purpose of voting for or against a proposition to sell assign, dispose of and convey to The South Chester Water Company a Pennsylvania Corporation created under An Act entitled "An Act to provide for the incorporation and regulation of Certain Corporations" passed 29th April 1874 and the supplements and amendments thereto.

All the franchises of the said Penn Water Company and all its property real personal and mixed, do hereby certify that after having taken and subscribed an oath as provided by law,

we conducted the aforesaid election at the Office of the said Company in Chester Pennsylvania on the twenty-first day of March A. D. 1887 the time and place fixed for the holding of said Meeting, notice of the same by publication or otherwise having first been waived in writing by all the Stockholders of the aforesaid Company said stockholders all being present in person (a copy of which waiver is hereto annexed) and that we received the votes of the said stockholders, in the manner provided by law.

And we do hereby further certify that at the close of the aforesaid election we counted the number of votes cast and that ten shares were voted in favor of the said proposition, and that there were no shares voted against the said proposition.

And we do therefore further certify that the persons or bodies corporate holding the larger amount of the stock of the said Corporation have consented to the proposition aforesaid.

In Witness Whereof we have made and signed this Return in duplicate this 21st day of March A. D. 1887.

J. L. Forwood
Wm. S. Mercer } *Judges.*
Wm. H. Miller

Commonwealth of Penn
County of Delaware } *ss:*
City of Chester

Be it known that we the undersigned being all the Stockholders of the Penn Water Company and all being present this twenty first day of March A. D. 1887, have waived and do by these presents waive Notice by publication or otherwise of the Stockholders Meeting about to be held for the purpose of voting upon a proposition to sell, assign dispose of and convey to the South Chester Water Company all the franchises of the said Penn Water Company and all its property, real, personal, and mixed.

Saml R. Bullock & Co
J. L. Forwood
E. F. Fuller
W. H. Miller
Charles M. Berrien
Ellis Morrison

STATE OF PENNSYLVANIA
CITY AND COUNTY OF PHILADELPHIA } *ss.*

William H. Miller of Philadelphia Penna being duly sworn doth depose and say that he is the Secretary of The Penn Water Company: that the said Company is a Pennsylvania Corporation, and was created by virtue of an Act entitled "An Act to provide for the incorporation and regulation of certain Corporations" passed 29th April 1874 and the Amendments and Supplements thereto, with a Capital Stock of One thousand dollars, divided into ten (10—shares of One hundred dollars ($100.) each.

And this deponent further says that on the 21st day of March A. D. 1887 the whole of the said Capital Stock of the said Penn Water Company was held, for more than Sixty (60) days prior to said date by the following named persons to the number of shares set opposite their respective names, Viz:

SAMUEL R. BULLOCK & CO.	Five shares (5)
J. LARKIN FORWOOD	One share (1)
WILLIAM H. MILLER	One share (1)
E. F. FULLER	One share (1)
ELLIS MORRISON	One share (1)
CHARLES M. BERRIAN	One share (1)

And that the aforesaid persons constituted all the Stockholders of the said Company on the last mentioned date.

Sworn before me this First day of April A. D. 1887.
H. R. SHULTZ,
[SEAL] *Notary Public.*

WM. H. MILLER,
Secretary.

STATE OF PENNSYLVANIA
COUNTY OF DELAWARE
CITY OF CHESTER } *ss:*

I hereby certify that the following is a copy of a Resolution this day passed by the Board of Directors of The Penn Water Company

"*Resolved* that a meeting of the Stockholders of this Com-

pany be convened according to law, to vote upon a proposition to sell, assign dispose of and convey to The South Chester Water Company a Pennsylvania Corporation created under an Act entitled "An Act to provide for the incorporation and regulation of Certain Corporations" passed 29th April 1874 All the franchises of this Company and all its property real personal and mixed

Be it further resolved that William S. Mercer Dr J. L. Forwood and W. H. Miller all being stockholders of this Company be and they are hereby appointed Judges for the purpose of holding said election

In Witness Whereof I have hereunto set my hand and affixed the Seal of the said Company this 21st day of March A. D. 1887.

W. H. MILLER,
Secretary.

[SEAL]

Filed in the Office of the Secretary of the Commonwealth, April 2nd A. D. 1887.

CHARLES W. STONE,
Secretary of the Commonwealth.

OFFICE OF THE PENN WATER COMPANY

CHESTER PENNA. April 4, 1887.

To the Hon. Charles W. Stone Secretary of the Commonwealth.

This is to certify that by virtue of the consent of the stockholders of The Penn Water Company authorizing the selling and conveying of the franchises together with all the real personal and mixed property of the said company given at an election duly held for that purpose on the 21st day of March A. D. 1887 such described sale and conveyance of the franchises together with all the property, real personal and mixed has been duly made and effected to the said The South Chester Water Company.

J. L. FORWOOD.
President.

STATE OF PENNSYLVANIA }
COUNTY OF DELAWARE } *ss:*

J. L. Forwood above named being duly sworn, says the facts set forth in the above certificate are correct and true.

Sworn and subscribed before me this 5th day of April A. D. 1887.

J. M. ALLEN
[SEAL] *Alderman.*

J. L FORWOOD,
President.

Filed in the office of the Secretary of the Commonwealth, on the 16. day of April A. D. 1887.

J. H. LONGENECKER,
Deputy Secretary of the Commonwealth.

OFFICE OF THE SECRETARY OF THE COMMONWEALTH.

HARRISBURG, March 29th A. D. 1889.

PENNSYLVANIA, *ss:*

SEAL.

I Do Hereby Certify, That the foregoing and annexed is a full, true and correct copy of the Election Return, and Certificate of Sale of the franchises &c of the Penn Water Company, to The South Chester Water Company as the same remains on file in this office.

In Testimony Whereof, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed the day and year above written.

J. H. LONGENECKER,
Deputy Secretary of the Commonwealth.

EXHIBIT A9, Oct. 4, 89. E. Z. B.

OFFICE OF THE SECRETARY OF THE COMMONWEALTH OF PENNSYLVANIA.

UPLAND WATER COMPANY.

STATE OF PENNSYLVANIA,
COUNTY OF DELAWARE, } *ss:*
CITY OF CHESTER

Be it known that we the undersigned J. Larkin Forwood, William S. Mercer and William H. Miller being the Judges appointed by the Board of Directors of the Upland Water Company to conduct an election of the Stockholders of the said Company for the purpose of voting for or against a proposition to sell, assign dispose of and convey to the South Chester Water Company a Pennsylvania Corporation created under An Act entitled "An Act to provide for the incorporation and regulation of Certain Corporations" passed 29th April, 1874, and the supplements and amendments thereto, all the franchises of the said Upland Water Company and all its property real personal and mixed, do hereby certify that after having taken and subscribed an oath as provided by law, we conducted the aforesaid Elections at the Office of the said Company in Chester Pennsylvania on the twenty-first day of March A. D. 1887, the time and place fixed for the holding of such meeting. Notice of the same by publication or otherwise having first been waived in writing by all the stockholders of the aforesaid Company, said stockholders all being present in person (a copy of which waiver is hereto annexed) and that we received the votes of the said stockholders in the manner provided by law.

And we do hereby further certify that at the close of the aforesaid Election we counted the number of votes cast, and that ten shares were voted in favor of the said proposition and that there were no shares voted against the said proposition.

And we do therefore further certify that the persons or bodies

corporate holding the larger amount of the stock of the said Corporation have consented to the proposition aforesaid.

In Witness Whereof we have made and signed this Return in duplicate this 21st day of March A. D. 1887.

J. L. Forwood,
Wm. S. Mercer,
Wm. H. Miller. } *Judges*

Commonwealth of Penn.
County of Delaware
City of Chester } *ss:*

Be it known that we the undersigned being all the Stockholders of the Upland Water Company and all being present this twenty-first day of March A. D. 1887, having waived and do by these presents waive Notice by publication or otherwise of the Stockholders Meeting about to be held for the purpose of voting upon a proposition to sell assign dispose of and convey to the South Chester Water Company all the franchises of the said Upland Water Company and all its property real personal and mixed.

Saml. R. Bullock & Co.
J. L. Forwood
E. F. Fuller
W. H. Miller
Charles M. Berrian
Ellis Morrison

State of Pennsylvania
City and County of Philadelphia } *ss.*

William H. Miller of Philadelphia, Penna. being duly sworn doth depose and say that he is the Secretary of the Upland Water Company that the said Company is a Pennsylvania Corporation, and was created by virtue of an Act entitled "An Act to provide for the incorporation and regulation of certain corporation" passed 29th day April 1874, and the amendments and supplements thereto, with the Capital Stock of One thousand dollars divided into ten (10) shares of one hundred dollars ($100) each.

And this deponent further says that on the 21st day of March A. D. 1887, the whole of the said Capital Stock of the said Upland Water Company was held, for more than Sixty (60) days prior to said date, by the following named persons to the number of shares set opposite their respective names, viz:

Samuel R. Bullock & Co.	Five Shares (5)
J. Larkin Forwood	One Share (1)
William H. Miller	One Share (1)
E. F. Fuller	One Share (1)
Ellis Morrison	One Share (1)
Charles M. Berrian	One Share (1)

And that the aforesaid persons constituted all the Stockholders of the said Company on the last mentioned date

Sworn to before me this first day of April A. D. 1887.
H. R. Shultz
[seal] *Notary Public.*

Wm. H. Miller,
Secretary.

State of Pennsylvania
County of Delaware
City of Chester
ss:

I hereby certify that the following is a copy of a Resolution this day passed by the Board of Directors of The Upland Water Company

"*Resolved* that a meeting of the Stockholders of this Company be convened according to law, to vote upon a proposition to sell, assign, dispose of and convey to The South Chester Water Company a Pennsylvania Corporation created under An Act entitled "An Act to provide for the incorporation and regulation of Certain Corporations" passed 29th April 1874 all the franchises of this Company and all its property real, personal and mixed.

Be it further resolved that William S. Mercer Dr J. L. Forwood and W. H. Miller all being Stockholders of this Company be and they are hereby appointed Judges for the purpose of holding said Election.

In Witness Whereof I have hereunto set my hand and affixed the seal of the said Company this 21st day of March A. D. 1887

W. H. MILLER,
Secretary.

[SEAL]

Filed in the office of the Secretary of the Commonwealth, April 2d 1887.

CHARLES W. STONE,
Secretary of the Commonwealth.

OFFICE OF THE UPLAND WATER COMPANY

CHESTER PENNA. April 4. 1887.

To the Hon. Charles W. Stone Secretary of the Commonwealth.

This is to certify that, by virtue of the consent of the stockholders of the Upland Water Company authorizing the selling and conveying of the franchises together with all the real personal and mixed property of the said Company unto the South Chester Water Company given at an election duly held for that purpose on the 21st day of March A. D. 1887, such described sale and conveyance of the franchises, together with all the property, real, personal and mixed has been duly made and effected to the said The South Chester Water Company.

J. L. FORWOOD,
President.

STATE OF PENNSYLVANIA }
COUNTY OF DELAWARE } *ss:*

J. L. Forwood above named, being duly sworn says the facts set forth in the above certificate are correct and true.

Sworn and subscribed before me this 5th day of April A. D. 1887.

J. M. ALLEN,
Alderman.

[SEAL]

J. L. FORWOOD
President

Filed in the office of the Secretary of the Commonwealth, on the 16. day of April A. D. 1887.

J. H. LONGENECKER
Deputy Secretary of the Commonwealth.

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OFFICE OF THE SECRETARY OF THE COMMONWEALTH.

HARRISBURG, March 29th A. D. 1889

PENNSYLVANIA, *ss:*

SEAL.

I Do Hereby Certify, That the foregoing and annexed is a full, true and correct copy of the Election Return and Certificate of Sale of the franchises &c of The Upland Water Company to The South Chester Water Company as the same remains on file in this office.

In Testimony Whereof, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed the day and year above written.

J H LONGENECKER
Deputy Secretary of the Commonwealth.

EXHIBIT A10, Oct. 4, 89. E. Z. B.

OFFICE OF THE SECRETARY OF THE COMMONWEALTH OF PENNSYLVANIA.

STATE OF PENNSYLVANIA }
COUNTY OF DELAWARE } *ss.*
CITY OF CHESTER }

Be it known that we the undersigned J Larkin Forwood, William S. Mercer and William H. Miller being the Judges appointed by the Board of Directors of the South Chester Water Company to conduct an election of the Stockholders of the said Company, for the purpose of voting for or against the following proposition,

To increase the Capital Stock of this Company from $1000 to $600,000.

Do hereby certify that after having taken and subscribed a oath as provided by law, we conducted the aforesaid Election at the office of the said Company in Chester, Pennsylvania on the twenty first day of March A. D. 1887 the time and place

fixed for the holding of said Meeting. Notice of the same by publication or otherwise having been waived in writing by all the stockholders of the aforesaid Company, said stockholders all being present in person (which waiver is hereto annexed) and that we received the votes of the said stockholders in the manner provided by law.

And we do hereby further certify, that at the close of the aforesaid Election we counted the number of votes cast in favor of or against the aforesaid proposition and that the result was as follows:

Ten (10) shares were voted in favor of the proposition to increase the said Capital Stock as aforesaid, and that there were no shares voted against the said proposition.

And we do further certify that the persons or bodies Corporate holding the largest amount of the stock of the said Corporation have consented to the aforesaid proposition.

In Witness Whereof we have made and signed this Return in duplicate this 21st day of March A. D. 1887

J. L. Forwood
Wm. S. Mercer } *Judges*
Wm. H. Miller

Commonwealth of Penn.
County of Delaware } *ss.*
City of Chester

Be it known that we the undersigned being all the stockholders of The South Chester Water Company and all being present this twenty-first day of March A. D. 1887 have waived and do by these presents waive notice by publication or otherwise of the Stockholders Meeting about to be held for the purpose of voting upon a proposition to increase the Capital Stock of the said Company from $1000 to $600,000 and to issue not exceeding $300,000 of its bonds, payment of the same to be secured by Mortgage.

J. L. Forwood
W. H. Miller
E. F. Fuller
Charles M. Berrian
Saml. R. Bullock & Co.
Ellis Morrison

STATE OF PENNSYLVANIA
CITY AND COUNTY OF PHILADELPHIA } *ss.*

William H. Miller of Philadelphia, Penna. being duly sworn doth depose and say that he is the Secretary of the South Chester Water Company: that the said Company is a Pennsylvania Corporation, and was created by virtue of an Act entitled "An Act to provide for the incorporation and regulation of certain corporations" passed 29th April 1874, and the amendments and supplements thereto, with a capital stock of one thousand dollars divided into ten (10) shares of one hundred dollars each.

And this deponent further says that on the 21st day of March A. D. 1887 the whole of the said Capital Stock of the said The South Chester Water Company was held for more than sixty (60) days prior to said date by the following named persons to the number of Shares set opposite their respective names, viz:

SAMUEL R. BULLOCK & CO	Five Shares	(5)
J. LARKIN FORWOOD	One Share	(1)
WILLIAM H. MILLER	One Share	(1)
E. F. FULLER	One Share	(1)
ELLIS MORRISON	One Share	(1)
CHARLES M. BERRIAN	One Share	(1)

And that the aforesaid persons constituted all the stockholders of the said Company on the last mentioned date, and entitled to vote on the Election held.

Sworn to before me this 6th day of April A. D. 1887
H. R. SHULTZ,
[SEAL] *Notary Public.*

WM. H. MILLER,
Secretary.

STATE OF PENNSYLVANIA
COUNTY OF DELAWARE
CITY OF CHESTER } *ss.*

I hereby certify that the following is a true copy of a Resolution passed by the Board of Directors of The South Chester Water Company and of each and every part thereof,

"Resolved that a meeting of the Stockholders of this Company be convened according to law to take action on the following propositions,

1st. To increase the Capital Stock of this Company from $1000 to $600,000.

2nd. To issue not exceeding $300,000 in the Bonds of this Company the payment of the same to be secured by a mortgage on all its property real and personal and all its rights privileges and franchises.

Be it further resolved that Messrs William S. Mercer, J. L. Forwood and W. H. Miller all being Stockholders of this Company be and they are hereby appointed Judges for the purpose of holding said Election

In Witness Whereof I have hereunto set my hand and affixed the Seal of the said Company this 21st day of March A. D. 1887.

WM. H. MILLER

[SEAL] *Secretary.*

Filed in the Office of the Secretary of the Commonwealth, on the 16th day of April A. D. 1887,

J. H. LONGENECKER,
Deputy Secretary of the Commonwealth.

OFFICE OF THE SOUTH CHESTER WATER CO.

CHESTER, Pa. April 6 1887

To the Hon. Charles W. Stone Secretary of the Commonwealth.

This is to certify that, by virtue of the consent of the stockholders of the South Chester Water Company authorizing an increase in the Capital Stock thereof from $1000. to $600,000. given at an election duly held for that purpose on the twenty-first day of March A. D. 1887 the Capital Stock of said Company has been increased from $1000. to $600,000. said stock being issued for money and property actually received by said Company, and for labor done.

J. L. FORWOOD
President.

STATE OF PENNSYLVANIA }
COUNTY OF PHILADELPHIA } *ss.*

J. L. Forwood above named being duly sworn, says the facts set forth in the above certificate are correct and true.

Sworn and subscribed before me this 15th day of April A. D. 1887.

H. R. SHULTZ
[SEAL] *Notary Public.*

J. L. FORWOOD
President.

Filed in the office of the Secretary of the Commonwealth, on the 16th day of April A. D. 1887.

J. H. LONGENECKER
Deputy Secretary of the Commonwealth.

OFFICE OF THE SECRETARY OF THE COMMONWEALTH.

HARRISBURG, March 29th A. D. 1889.

PENNSYLVANIA, *ss:*

SEAL.

I Do Hereby Certify, That the foregoing and annexed is a full, true and correct copy of the Election Return and Certificate of Increase of the Capital Stock of The South Chester Water Company from $1000 to $600,000, as the same remain on file in this office

In Testimony Whereof, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed the day and year above written.

J. H. LONGENECKER
Deputy Secretary of the Commonwealth.

EXHIBIT A11, Oct. 4, 89. E. Z. B.

OFFICE OF THE SECRETARY OF THE COMMONWEALTH OF PENNSYLVANIA.

OFFICE OF THE NEW CHESTER WATER COMPANY,

No. 425 Chestnut Street.
PHILADELPHIA, May 1st, 1885.

I hereby certify that the following resolution was adopted at a meeting of the Board of Directors of this Company held this day at the above office.

Resolved: By virtue of an unanimous waiver of the required published notice of Sixty days, signed in writing by all the Stockholders of The New Chester Water Company, the original of which is herewith presented and accompanying:—and also Agreeably to a Decision of Deputy Attorney-General of the Commonwealth, Robt. Snodgrass under date of February 15th 1883, with reference to such unanimous waiver of notice as required by the Statutes.

That a meeting of the Stockholders of The New Chester Water Company shall be called to convene at this office on Saturday Afternoon, the 2nd day of May A. D. 1885 at Three o'clock, to take into consideration the subject for an increase of capital, in order to provide for the purchase of lands, building reservoir, erection of suitable building purchase and laying of street mains and connections, together with all other outlays for the proper construction of the works of this Company.

And to vote for or against an increase of the said Capital Stock from Twenty thousand dollars ($20.000) to the amount of Five hundred Thousand dollars ($500.000)—(in 10.000 shares of a par value of $50 each) and that the Secretary be and is hereby directed to give notice thereof

Attest:

WM. H. MILLER
Secretary

[SEAL]

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"Copy."

No. 425 Chestnut Street.
PHILADELPHIA May 1 '85.

To the Stockholders of the New Chester Water Company

GENTLEMEN: The Board of Directors of this Company has called a special meeting of its stockholders, to be held at above office on Saturday afternoon, the 2d day of May A. D. 1885 at Three o'clock for the purpose of voting for or against an increase of The Capital Stock, And, for such other special business as may be brought before them.

Signed:

W. H. MILLER
Secretary

PHILAD'A May 1 1885.

The Undersigned Stockholders of the New Chester Water Company organized April 4th 1885 and Chartered by Letters Patent of April 29th, 1885, with a total Capitalization of Twenty Thousand Dollars ($20.000) in Four hundred shares (400 shares) of a par value of Fifty Dollars ($50) each, hereby waive the requirement of a Sixty day published advertisement notice, to us of the intention of the said Corporation to increase the capital stock thereof.

Name.	Address.	Shares.
JOHN DUTTO	Chester	250
WM. H. MILLER	Philadelphia, Pa.	130
GEO. H. CHRISTIAN	"	5
TYCHO BUEK	"	10
JOSHUA K. LAMB	Chester	5
	Total of Capital	400

I certify the foregoing to be a true and Correct list of all the Stockholders and their several holdings of record this May 1st 1885 And that their Signatures were made in my presence this day.

Attest:

W. H. MILLER
Secretary.

PHILADELPHIA May 2nd 1885.
425 Chestnut Street.

STATE OF PENNSYLVANIA }
CITY AND COUNTY OF PHILADELPHIA } *ss.*

George H. Christian, William H. Miller and Tycho Buek being duly sworn according to law, do each and severally, depose and say that they will discharge the duties of Judges at the Election to be held by the Stockholders of The New Chester Water Company for or against the increase of the Capital Stock of said Company And that they will well and truly, and according to law Conduct such Election to the best of their ability and true return make of the same.

Sworn and subscribed before me this 2d day of May A.D. 1885.

E. H. BAILY
[SEAL] *Notary Public.*

GEO. H. CHRISTIAN
WM. H. MILLER
TYCHO BUEK

We, the Undersigned Judges appointed by the Stockholders of "The New Chester Water Company" to conduct an Election by the said Stockholders for or against an increase of the Capital Stock of the said Company from $20,000 to $500,000 do hereby certify that after being duly sworn, we held the said Election at the office of the said Company, in Philadelphia on the 2d day of May A. D. 1885, the time and place fixed for holding the same due notice being had of an unanimous consent by the Stockholders to waive the requirement of the Statutes of a Published Sixty days notice And in due form and manner we received the votes of the Stockholders of the said Company in favor of or against such increase And at the said Election there were voted in favor of said increase Four hundred Shares and against said increase nothing thereby Evincing the consent to the said increase of capital stock of the persons holding the entire amount in value of the Capital Stock of the said "The New Chester Water Company."

GEO. H. CHRISTIAN
W. H. MILLER
TYCHO BUEK } *Judges*

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To The Hon. W. S. Stenger Secretary of the Commonwealth Harrisburg, Penn'a

This is to certify that by virtue of the consent of the Stockholders of The New Chester Water Company, authorizing an increase in the Capital Stock thereof from $20,000 to $500,000 given at an Election duly held for that purpose on the Second day of May A. D. 1885. the Capital Stock of said Company has been increased from Twenty thousand Dollars to Five Hundred Thousand Dollars said additional stock being issued for the purpose of providing for the purchase of lands, building of reservoir, erection of suitable buildings purchase and laying of street mains and connections together with all other outlays for the proper construction of the works of this Company.

TYCHO BUEK
Treasurer

STATE OF PENNSYLVANIA }
COUNTY OF PHILADELPHIA } *ss.*

Tycho Buek, treasurer, above named, being duly sworn, says that the facts set forth in the above certificate are correct and true.

Sworn and subscribed before me this ninth day of May A. D. 1885.
H. R. SHULTZ
[SEAL] *Notary Public.*

TYCHO BUEK

Filed in the office of the Secretary of the Commonwealth, at Harrisburg, on Saturday the 27th day of June A. D. 1885.

JOHN C. SHOEMAKER,
Deputy Secretary of the Commonwealth.

OFFICE OF THE SECRETARY OF THE COMMONWEALTH.

HARRISBURG, March 30th A. D. 1889

PENNSYLVANIA, *ss:*

SEAL.

I Do Hereby Certify, That the foregoing and annexed is a full, true and correct copy of the Election Return and Certificate of Increase of Capital Stock of "The New Chester Water Company" from to as the same remains on file in this office.

In Testimony Whereof, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed the day and year above written.

J. H. LONGENECKER
Deputy Secretary of the Commonwealth.

EXHIBIT A12, Oct. 4, 89. E. Z. B.

OFFICE OF THE SECRETARY OF THE COMMONWEALTH

OF PENNSYLVANIA.

STATE OF PENNSYLVANIA
COUNTY OF DELAWARE } *ss.*
CITY OF CHESTER

Be it known that we the undersigned J. Larkin Forwood William S. Mercer and William H. Miller being the Judges appointed by the Board of Directors of The New Chester Water Company to conduct an Election of the Stockholders of the said Company for the purpose of voting for or against the following proposition

To increase the Capital Stock of the Company from $500,000 to $1,000,000.

Do hereby certify that after having taken and subscribed an oath as provided by law we conducted the aforesaid Election at the Office of the said Company in Chester Pennsylvania on the 21st day of March A. D. 1887 the time and place fixed for the holding of said meeting Notice of the same by publication or otherwise having first been waived in writing by all the Stockholders of the aforesaid Company said Stockholders all being present in person (which waiver is hereto annexed) and that we received the votes of the said stockholders in the manner provided by law

And we do hereby further certify that that the close of the aforesaid Election we counted the number of votes cast in favor of of or against the aforesaid proposition and that the result was as follows: Ten thousand shares were voted in favor of the proposition to increase the said Capital Stock as aforesaid and that there were no shares voted against the said proposition.

And we do further certify that the persons or bodies Corporate holding the larger amount of the Capital Stock of the said Corporation have consented to the aforesaid proposition.

In Witness Whereof we have made and signed this return in duplicate this twenty-first day of March A. D. 1887.

J. L. Forwood
Wm. S. Mercer } *Judges*
Wm. H. Miller.

Commonwealth of Penn
County of Delaware
City of Chester

Be it known that we the undersigned being all the Stockholders of The New Chester Water Company and all being present this twenty-first day of March A. D. 1887 have waived and do by these presents waive notice by publication or otherwise of the Stockholders meeting about to be held for the purpose of voting on a proposition to increase the Capital Stock of the said Company from $500,000. to $1,000,000. to issue not exceeding $500,000. of its bonds, payment of the same to be secured by mortgage and to guarantee the payment of the

principal and interest of not exceeding $300,000. of the Bonds of the South Chester Water Company payment of the same to be secured by mortgage.

J. L. Forwood	Charles M. Berrian
W. H. Miller	Ellis Morrison
E. F. Fuller	Saml R. Bullock & Co.

State of Pennsylvania }
City and County of Philadelphia } *ss.*

William H. Miller of Philadelphia Penn'a being duly sworn, doth depose and say that he is the Secretary of The New Chester Water Company: that the said Company is a Pennsylvania Corporation, and was created by virtue of an Act entitled "An Act to provide for the incorporation and regulation of certain corporations" passed 29th April 1874 and the amendments and supplements, with a capital stock of Five Hundred thousand ($500.000) dollars, divided into ten thousand (10,000 Shares of fifty (50) dollars each.

And this deponent further that on the 21st day of March A. D. 1887 the whole of the said capital stock of the said The New Chester Water Company was held for more than sixty (60) days prior to said date by the following named persons to the number of shares set opposite their respective names, viz:

Saml. R. Bullock & Co. Ninety nine hundred & ninety five shares . . . . . (9.995)
J. Larkin Forwood . . . . . One Share (1)
William H. Miller . . . . . One Share (1)
E. F. Fuller . . . . . One Share (1)
Ellis Morrison . . . . . One Share (1)
Chas. M. Berrian . . . . . One Share (1)

And that the aforesaid persons constituted all the stockholders of the said company on the last mentioned date, and entitled to vote at the Election held.

Sworn and subscribed before this
Sixth day of April A. D. 1887

H. R. Shultz,
Notary Public. [seal]

Wm. H. Miller
Secretary.

STATE OF PENNSYLVANIA }
COUNTY OF DELAWARE } *ss.*
CITY OF CHESTER }

I hereby certify that the following is a true copy of a Resolution this day passed by the Board of Directors of the New Chester Water Company and of each and every part thereof.

Resolved that a meeting of the Stockholders of this Company be convened according to law to take action on the following propositions

1st To increase the Capital stock of this Company from $500.000 to $1.000.000

2nd To issue not exceeding $500.000 in the bonds of this company the payment of the same to be secured by a mortgage on all its property real and personal, and its rights privileges and franchises.

3d To guarantee the payment of the principal and interest of an amount of the bonds of The South Chester Water Company not to exceed $300.000 the payment of said bonds to be secured by a mortgage of all the property real and personal of the said The South Chester Water Company and of all its rights privileges and franchises

Be it further Resolved that Messrs. William S. Mercer, Dr. J. L. Forwood and W. H. Miller all being stockholders, of this Company be and they are hereby appointed Judges for the purpose of holding such Election"

In Witness Whereof I have hereunto set my hand and affixed the seal of the said Company this 21st day of March A. D. 1887

WM. H. MILLER,
Secretary.

[SEAL]

Filed in the office of the Secretary of the Commonwealth, on the 16 day of April A. D. 1887.

J. H. LONGENECKER,
Deputy Secretary of the Commonwealth.

OFFICE OF THE NEW CHESTER WATER COMPANY

CHESTER PA. April 6th 1887

To the Hon Charles W. Stone Secretary of the Commonwealth.

This is to certify that by virtue of the consent of the Stockholders of The New Chester Water Company authorizing an increase in the Capital Stock thereof from $500,000. to $1,000,000. given at an election duly held for that purpose on the twenty-first day of March A. D. 1887, the capital stock of said company has been increased from $500,000. to $1,000,000. said stock being issued for money and property actually received by said Company and for labor done.

J. L. FORWOOD
President.

STATE OF PENNSYLVANIA, }
COUNTY OF PHILADELPHIA, } *ss.*

J. L. Forwood above named being duly sworn, says the facts set forth in the above certificate are correct and true.

Sworn and subscribed before me this 15th day of April A. D. 1887.
H. R. SHULTZ
Notary Public [SEAL]

J. L. FORWOOD,
President.

Filed in the office of the Secretary of the Commonwealth, on the 16. day of April A. D. 1887.

J. H. LONGENECKER,
Deputy Secretary of the Commonwealth.

OFFICE OF THE SECRETARY OF THE COMMONWEALTH.

HARRISBURG, March 29th A. D. 1889.

PENNSYLVANIA, *ss:*

SEAL.

I Do Hereby Certify, That the foregoing and annexed is a full, true and correct copy of the Election Return, and Certificate of increase of the Capital Stock of "The New Chester Water Company," from $500,000. to $1,000,000. as the same remains on file in this office.

In Testimony Whereof, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed the day and year above written.

J. H. LONGENECKER,
Deputy Secretary of the Commonwealth.

EXHIBIT A15, Nov. 7, 89. E. Z. B.

Statement showing cost of completed works, Chester, Pa.

Pipe & Specials, R. D. Wood & Co.	$161,774 87
" " McNeal Pipe & Fdy. Co.	1,417 87
Hydrants, R. D. Wood & Co.	892 50
Valves & Boxes, Ludlow Manufacturing Co.	2,592 78
Lead, Thomas J. Pope & Bro.	8,305 77
" Tatham & Bros.	1,026 81
Hemp, Waterbury & Co.	183 22
" De Grauw & Co.	56 25
Pump-house Roof, R. D. Wood & Co.	2,550 00
Pumping Engines, Holly Manufacturing Co.	50,000 00
Boilers, Dougherty & Feeley	7,000 00
Pump-house, Smoke-stack, etc.	27,642 87
Reservoirs	94,678 63
River Work	2,548 35
Pipe laying and hauling, etc.	55,482 50

Repairs to old pipe	$3,148 55
Land for Reservoir Site	6,000 00
Engineering, Rent and Small Bills	18,726 00
W. H. Miller, purchase of Charters, New Water Companies	15,000 00
Purchase Price, South Ward Water Works	313,000 00
Old Notes due by South Ward Water Works	23,000 00
Mortgage against Wharf property, South Ward Water Works	15,000 00
Interest paid and due W. G. Hopper & Co.	76,309 42
Compensation, W. B.	35,000 00
Commission, W. G. H. & Co.	16,986 00
Total	$938,322 39

Statement showing cost of completed works, Mobile, Ala.

Pipe & Specials, R. D. Wood & Co.	$97,875 66
" " McNeal Pipe & Fdy. Co.	206,648 83
" " Dennis Long & Co.	879 10
Western Cement Association, paid from New York Office	2,625 00
Valves & Boxes, and 100 Hydrants, Ludlow Valve Manf'g Co.	8,846 40
Lead, Thos. J. Pope & Bro.	19,048 15
" O. K. Dimock & Co.	1,860 85
Tapping Machine & Fittings, H. Mueller & Sons	576 67
Boilers, Abendroth & Root Manf'g Co.	8,623 02
Pumping Engines, Holly Manf'g Co.	50,000 00
Steam Fitting & Extra Piping at Pump-house	1,523 56
Bingham & Taylor, Service & Curb Boxes	650 00
Hersey Meter Company	242 00
National Meter Company	307 50
H. R. Worthington, Meters	611 15
Hemp, De Grauw, Aymar & Co.	478 45
Southern Wire Works	90 00
Pump-house, Smoke-stack, etc	18,327 45
Impounding Reservoir, complete	47,654 20

Labor	$96,450 50
Distributing Reservoir, complete	67,371 00
Land & Water Rights	12,280 00
Engineering, Rent & Small Bills	17,160 00
Interest, W. G. H. & Co.	38,816 03
Commission, " "	19,050 00
Compensation, W. B.	21,000 00
Total	$738,995 52

EXHIBIT A16, Nov. 7, 89. E. Z. B.

Estimate of work requisite to complete distributing reservoir for the system of Waterworks at Mobile, Ala., Oct. 20th, 1887.

1,100,000 bricks to burn @ 4.50 per M.	4,950
2600 bbls cement @ 1.30	3,380
1100 M bricks hauled @ $3	3,300
2600 bbls. cement " @ 25c.	650
Foreman three months	375
1100 M brick Masons & helpers $3.75 M.	4,125
2600 loads sand @ 25c.	650
6000 yards earth to complete embankt. @ 30c.	1,800
Contingencies	1,000
	$20,230

C. DELAFIELD,
Chief Eng.

There yet remains to be paid for material and labor at Mobile

No. 1 Pump,	16,667
" 2 do	25,000
Overdue labor,	7,465
Borrowed money & overdue bills	18,632
Hydrants & valves	8,744
	$76,508

C. DELAFIELD,
Chief Eng.

EXHIBIT A17, Nov. 7, 89. E. Z. B.

OFFICE OF NEW CHESTER WATER COMPANY,

CHESTER, PENNA., October 15, 1887.

Mr. Sam'l R. Bullock, No. 11 Wall St. N. Y.:

DEAR SIR:—I enclose you herewith the estimate mentioned in your note of even date. The same being the amount of acknowledged for Labor and material to complete the Water Works at this place.

Trusting it may be satisfactory to you I am,

Yours Very Truly

E. F. FULLER.

ESTIMATE MATERIAL & LABOR, NEW CHESTER WATER CO.

Engine House.

102 cu yds Concrete at 6.00	612 00
138 cuy Rubble masonry at 5.50 . .	759 00
187,000 brick, at 9.00 for 43,000 . .	387 00
" at 5.50 for 114,000 . .	627 00
" at 8.00 for 30,000 . .	240 00
Laying 187,000 brick at 6.75 . . .	1,252 25
32,046 Hard brick in Boiler room floor at 8.00 per M	256 36
Laying same at 4.00 per M	128 00
16,000 Hard brick cross walls at 8.00 per M	128 00
Laying same at 6.75	108 00
Stone for Trimmings	1,904 00
Setting & painting same	725 00
Door & window frames & wainscoting	812 00
Setting Door & window frames, finishing & Glazing	500 00
Iron roof trusses	1,600 00
Timber & Slate for roof & Carpenters work	2,000 00

Galvanized iron Cornice	400 00	
Painting	360 00	
Brick setting for Boilers & foundations	2,300 00	
Timber for floor engine room, Carpenters work on same	168 35	
Plastering & Wainscoting	300 00	
Connections with pumps, Suction & Force mains through building .	750 00	
		16,316 96
Allow for contingencies 5 per cent.		815 84
		17,132.80

Respt. Submitted
E. F. FULLER
Chief Eng.

Smoke Stack.

25 cu yds concrete Fd. at 6.00 . . .	150 00	
97,000 brick in stock at 8.00 . . .	776 00	
3,000 Fire brick at 27.00	81 00	
Laying 100,000 brick at 6.75 . . .	675 00	
Stone for Trimmings & String Course	220 00	
Iron Ladder & Cap	75 00	
Contingencies & Omissions	250 00	
		2,227 00

Pump Foundations.

85,000 Hard brick at 8.00	680 00	
Laying same at 6.75	573 75	
Stone for Foundation bolts	216 00	
" Engine beds	625 00	
		2,094 75

Suction Main.

Labor on old pipe and connection with New	2,000 00	2,000 00

Reservoir.

5000 cu yds Rock excavation at 75c.	3,750 00	
4048 cu yds Puddle at 1.00	4,048 00	
8055 sqr yds Slope paving at 90c. .	7,249 50	
1500 cu yds broken Stone at 50c. .	750 00	
Superstructure Gate House	800 00	
Trimmings & Contingencies . . .	1,800 00	
		18,397 50

Fipe System.

Laying 975 feet 24 in. pipe at 35c.	341 25	
" 14,493 " 20 in. " 30c.	4,374 90	
" 20,172 " 6 in. " 10c.	2,017 20	
Connections & Crossing Chester Creek	500 00	
		7,233 35
Total		49,085 40

Respt. Submitted
E. F. Fuller
Ch. Eng.

Estimate on Pipe Needed, Pumps, Boilers, &c.

975 ft. 24 in. pipe	116	Tons at 34.50	
14.493 ft. 20 in. "	997	" "	
20,172 ft. 6 in. "	298	" "	
35,640 ft.=	1411	Tons . . .	48,679 50
Hauling			1,500 00
Two Pumps			50,000 00
Five boilers			4,845 00
Steam fitting			400 00
			105,424 50

Respt. Submitted
E. F. Fuller
Ch. Eng.

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EXHIBIT, Nov. 14, 89. P. R. B. 1.

THIS AGREEMENT made this 13th day of June A. D. 1887 between *Wm. G. Hopper & Co.* and *Samuel R. Bullock & Co.* for the furnishing of monies for the construction of a Water Works, at the City of Chester, Delaware Co., Penna., known as the "New Chester Water Company."

Wm. G. Hopper & Co. agree to procure advances on the Bonds of the said "New Chester Water Company" as fast as the same are earned by and delivered to Samuel R. Bullock & Co. for materials furnished, and work and labor done, and monies expended on said Water Works, upon the certificate of the Chief Engineer in charge thereof, to the extent of Fifty per cent. of the amount of said bonds; and when the works are three-fourths completed, the advances are to be increased to Sixty per cent. of the amount of said bonds, and when the said works are fully completed and accepted by the Co., clear of all liens or incumbrances, other than the First Mortgage under which the bonds, on which these advances are made and to be made, are issued, the advances are to be increased to Seventy five per cent. of the amount of said bonds, this last advance of 75 per cent. however to include the compensation of Sixty Thousand Dollars to be paid to Wm. G. Hopper & Co. as hereinafter provided. All the advances are to be made on notes given by Samuel R. Bullock & Co. for four months from the date of the advance, and are to be discounted at the rate of 6 per cent. per annum, and a commission of three per cent., and the notes may be renewed, if required by Samuel R. Bullock & Co. on the same terms and conditions. And as collateral security for the payment of said notes, Samuel R. Bullock & Co. agree to transfer to, and deposit with Wm. G. Hopper & Co., in addition to the bonds on which these advances are made, the Property of the Old South Ward Water Works, and the entire Capital Stock of the New Chester Water Company—all of which securities are to be held until the completion of the transaction, and the re-payment of all monies advanced, also subject to the agreement of May 16th, 1887.

In consideration of the above Samuel R. Bullock & Co. agree to pay to Wm. G. Hopper & Co. the sum of Sixty Thousand Dollars, in Cash, the same to be included in, and be a part of the advance of Seventy five per cent. of the amount of the Bonds of the New Company as hereinbefore mentioned, and also the sum of One Hundred Thousand Dollars in the Capital Stock of the said Company.

Wm. G. Hopper & Co. are to have the privilege of purchasing the $500,000 Bonds of the New Company, other than the $300,000 deposited in trust for the retirement of the bonds of the South Ward Water Company, at 95 per cent. of their face value, at any time up to the completion of the works, and the last advance, as herein provided for, on the same.

This agreement to continue until eight months after the completion of the said Water Works, unless the said Samuel R. Bullock & Co. shall sooner repay the advances made.

SAML. R. BULLOCK & CO.

Witness present:
H. S. HOPPER.

EXHIBIT, Nov. 14, 89. P. R. B. 2.

WHEREAS certain loans have been made to Samuel R. Bullock & Co. on Bonds and Stock of Water Works Companies now in course of construction, it is agreed and understood that the collateral held as security for any of the notes now made, or which hereafter may be made by Samuel R. Bullock & Co. shall be applicable to the payment of any other note or notes of theirs remaining unpaid.

SAML. R. BULLOCK & CO.

PHILADA., May 16, 1887.
Witness present:
HENRY GODLEY.

EXHIBIT, Nov. 14, 89. P. R. B. 3.

THIS AGREEMENT made this twenty first day of March A. D. 1887 Between *The South Chester Water Company* party of the first part and *The New Chester Water Company* party of the second part *Witnesseth* :—

WHEREAS, both parties were incorporated under an act of the General Assembly of Pennsylvania, approved 29th April 1874 and entitled "An act to provide for the incorporation and regulation of certain Corporations," and the amendments and supplements thereto.

AND WHEREAS, The New Chester Water Company is formed for the purpose of supplying Water to the Public at the City of Chester, Delaware County, Pennsylvania, and to persons, partnerships, and associations, residing therein, and adjacent thereto, as may desire the same.

AND WHEREAS, The South Chester Water Company is formed for the purpose of supplying Water to the Public at the Borough of South Chester in the County and State aforesaid and has acquired the right to so furnish Water at the Boroughs of North Chester and Upland in said County and State.

AND WHEREAS the places at which Water is to be furnished as aforesaid lie contiguous to and adjoin each other, and are so situated that water can be supplied more efficiently, economically, and to the greater advantage of the public, and the parties hereto by one general System of Water Works, than by a separate system in each of said places.

Now Therefore This Agreement Witnesseth, That for and in consideration of One dollar, lawful money to it in hand paid and of the covenants hereinafter contained the party of the first part hereby grants and conveys unto the party of the second part its successors and assigns forever, the sole and exclusive right power and privilege of furnishing water at the places which it, the party of the first part is now or may at any time hereafter be authorized to supply therewith.

To Have and to Hold the said sole and exclusive right, power, and privilege to it, the said party of the second part,

its successors and assigns, to its and their own proper use, benefit and behoof forever Subject Nevertheless to the following covenants:

First.—The parties hereto shall respectively proceed at once to construct and equip a system of Water Works in the territory at which they are now authorized by law to supply water, according to the plans and specifications prepared and approved by their respective Chief Engineers, and shall complete the same on or before January 1st, 1888, and each party shall thereafter keep and maintain that part of the said system, comprised within its own territory in a complete state of repair, and perfect running order.

Second.—The party of the second part shall at all times furnish by means of its machinery and appliances, and from its reservoirs and sources of supply a constant and abundant supply of pure and wholesome water suitable for domestic use, and manufacturing and other purposes to the territory at which the party of the first part is now or may hereafter be authorized to supply water, and through the pipes, mains, and apparatus of the said party of the first part.

And in case, and when contracts for a supply of water for public use are hereafter entered into and between the party of the first part, and the municipal authorities of the places at which it is now or may hereafter be authorized to supply the same, water shall be furnished as aforesaid under such pressure, and on such terms and conditions as may be specified in said contracts.

Third.—The party of the second part shall whenever so requested by the party of the first part guarantee the payment of the principal and interest of not exceeding Three hundred thousand dollars ($300,000) of the Bonds of the party of the first part, which Bonds shall mature on or before Thirty years from their date, bear interest at a rate not exceeding six per centum per annum, be issued in denominations of $1000 each, and be secured by a first mortgage, or Deed of Trust covering all the property real and personal of the party of the first part, and all its rights, privileges and franchises now owned or hereafter to be acquired by it.

Fourth.—In consideration of the true, full and faithful performance of the foregoing covenants by and on the part of the party of the second part the party of the first part shall semi-annually on the first days of January and July in each and every year pay over and deliver to the said party of the second part, all its receipts and revenues from whatever source obtained after first deducting therefrom such debts and liabilities as may then be actually due and unpaid and such as may be reasonably and fairly anticipated. But such payments so to be made to the said party of the second part shall in no year exceed a sum equal to six per centum based on the amount of the capital stock of the party of the first part as it then exists, provided however that in case any such payment made in any year shall have been less than six per centum as aforesaid, the party of the first part shall pay and make up the deficit in any future year or years, and as soon as may be practicable although the whole amount to be then paid shall exceed a sum equal to six per centum on its capital stock as it then exists.

Fifth.—The party of the first part shall whenever requested by the party of the second part make and render to the party of the second part just and true accounts of its actual receipts and expenditure showing the same in detail if so required, which accounts shall be verified by the oath of the President or Treasurer, of the party of the first part, to the effect that they contain a full true and complete statement in all particulars. The party of the second part shall have the right, from time to time to inspect and take copies and extracts of and from any of the books, accounts or documents of any sort or nature belonging to or in possession of the party of the first part.

Sixth.—The party of the first part shall not furnish and supply water for public or private uses at less rates than those charged by the party of the second part except with the written consent of the said party of the second part.

Seventh.—The party of the first part shall make such additions, extensions, and improvements from time to time to that part of said system as may be comprised within the territory

at which it is authorized to supply water, as the needs of consumers may demand, and as will conduce to an increase of its receipts and revenues, and shall keep and maintain the same in a perfect state of repair and running order.

Eighth.—The party of the second part, in case it shall be deemed necessary by it, and for the purpose aforesaid, only shall have the right from time to time to construct and maintain at its own cost and expense within the territory and in connection with the Works of the party of the first part, such machinery and appliances as it may consider necessary for the proper supply of water, as above required.

In Witness Whereof, The parties hereto have respectively caused this agreement to be signed in its Corporate name by its President and its Corporate seal attested by its Secretary to be hereto affixed the day and year first above written.

THE NEW CHESTER WATER COMPANY

by J. L. FORWOOD,

[SEAL] *President.*

Attest:

W. H. MILLER,

Secretary.

THE SOUTH CHESTER WATER COMPANY

by J. L. FORWOOD,

[SEAL] *President.*

Attest:

W. H. MILLER,

Secretary.

EXHIBIT, Nov. 14, 89. P. R. B. 5.

THIS AGREEMENT, made this day of January 1888, Between *The South Chester Water Company*, a corporation created by, and existing under the Laws of the State of Pennsylvania, party of the first part, hereinafter called the Water Company and *The Farmers Loan and Trust Company*, a corporation created by, and existing under the Laws of the State of New York, party of the second part, hereinafter called the Trustee *Witnesseth*,

WHEREAS the said Water Company did on the first day of April 1887 make, execute and deliver to the Trustee a certain Indenture of Mortgage, which is certified by the Recorder of Deeds of Delaware County, Pennsylvania, to have been recorded in the Office for Recording of Deeds etc. in and for Delaware County, Pennsylvania, in Mortgage Book T. No. 5 page 31 &c.

AND WHEREAS the parties hereto are desirous of changing so much of the stipulations of said Mortgage as provide that where default is made in the payment of interest or principal, bondholders cannot proceed upon said mortgage until after a delay of two years and six months, and of reducing the said period of two years and six months for default in payment of interest or principal wherever it occurs to a period of six months.

Now therefore in consideration of the premises it is hereby agreed that in case of a default in payment of either the interest or principal of said bonds when they respectively come due, the said bondholders shall have the right to institute the proceedings provided for in said mortgage after a lapse of six months from the time a default shall occur either in the payment of interest or principal, and said proceedings under said mortgage shall be had with the same force and effect after the lapse of six months from said default in payment of interest or principal as if the said period of six months had been originally inserted in said mortgage in place of the said period of two years and six months.

The Water Company shall cause to be stamped upon all

of the said bonds the following words, to wit: The payment of the within bond is further secured by an Instrument bearing date January 1888 which has been duly recorded.

THE SOUTH CHESTER WATER COMPANY,
By

President.

It is hereby expressly understood that this Instrument is not to take effect until all the bonds secured by said Mortgage or Deed of Trust have been so stamped.

It is the intention of the parties hereto, that the aforesaid Mortgage or Deed of Trust shall have the same force and effect as if the modifications provided for by this Instrument had been originally incorporated therein.

In Witness Whereof the said parties hereto have caused these presents to be signed in their respective corporate names by their respective Presidents, and their corporate seals duly attested by their respective Secretaries to be affixed hereto, the day and year first above written."

EXHIBIT, Nov. 14, 89. P. R. B. 6.

THIS AGREEMENT made this day of January 1888, Between *The New Chester Water Company*, a corporation created by, and existing under the Laws of the State of Pennsylvania, party of the first part, hereinafter called the "Water Company" and *The Farmers Loan & Trust Company*, a corporation created by and existing under the Laws of the State of New York, party of the second part, hereinafter called the "Trustee," *Witnesseth*,

WHEREAS the said Water Company did on the first day of April 1887 make, execute and deliver to the Trustee a certain Indenture of Mortgage which is certified by the Recorder of Deeds of Delaware County, Pennsylvania, to have been recorded in the office for Recording of Deeds &c. in and for

Delaware County, Pennsylvania, in Mortgage Book L. No. 3 page 568 &c.

And Whereas, the parties hereto are desirous of changing so much of the stipulations of said Mortgage as provide that where default is made in the payment of interest or principal, bondholders cannot proceed upon said Mortgage, until after a delay of two years and six months, and of reducing the said period of two years and six months for default in payment of interest or principal wherever it occurs to a period of six months.

Now Therefore, in consideration of the premises, it is hereby agreed that in case of a default in payment of either the interest or principal of said bonds when they respectively come due, the said bondholders shall have the right to institute the proceedings provided for in said mortgage, after a lapse of six months from the time a default shall occur either in the payment of interest or principal, and said proceedings under said mortgage shall be had with the same force and effect after the lapse of six months from said default in payment of interest or principal, as if the said period of six months had been originally inserted in said mortgage, in place of the said period of two years and six months.

The Water Company shall cause to be stamped upon all of the said bonds the following words to wit: "The payment of the within bond is further secured by an Instrument bearing date January 1888 which has been duly recorded.

The New Chester Water Company
By

President."

It is hereby expressly understood that this Instrument is not to take effect until all the bonds secured by said Mortgage or Deed of Trust have been so stamped.

It is the intention of the parties hereto that the aforesaid Mortgage or Deed of Trust shall have the same force and effect as if the modifications provided for by this Instrument had been originally incorporated therein.

In Witness Whereof the said parties hereto have caused these presents to be signed in their respective corporate names by their respective Presidents, and their corporate seals duly attested by their respective Secretaries to be affixed hereto the day and year first above written."

EXHIBIT, Nov. 14, 89. P. R. B. 7.

KNOW ALL MEN BY THESE PRESENTS, That we Samuel R. Bullock of the City of Brooklyn, in the State of New York, and Samuel A. Dyer and J. Frank Black both of the City of Chester in the State of Pennsylvania are held and firmly bound unto the New Chester Water Company a corporation of the State of Pennsylvania aforesaid, in the sum of thirty thousand dollars, lawful money of the United States of America, to be paid to the said The New Chester Water Company its certain attorney successors and assigns, to which payment well and truly to be made we hereby bind ourselves our heirs, executors and administrators jointly and severally firmly by these presents. Sealed with our seals dated the Seventh day of July A. D. one thousand eight hundred and eighty seven.

WHEREAS the corporation of the South Ward Water Works in the said City of Chester by their deed duly executed and acknowledged bearing even date herewith conveyed in fee simple to the said Samuel R. Bullock certain lands with the appurtenances situate in the South Ward of the said City between the River Delaware and Front Street and particularly described in the said Indenture.

AND WHEREAS the said lands are intended to become the property of the said the New Chester Water Company.

AND WHEREAS the said lands are incumbered by the lien of a mortgage executed to Emma H. Brooks conditioned to secure the payment of the sum of fifteen thousand dollars and interest; and the time of maturity for the payment of the said mortgage has not arrived.

And Whereas the said Samuel R. Bullock has assumed the payment of the said mortgage debt principal and interest and has agreed save harmless and indemnify the said Company its successors and assigns of and from any loss, expense or damage by reason of the said mortgage, debt or interest.

Now the Condition of this Obligation is such, That if the said Samuel R. Bullock shall faithfully discharge and fulfill his assumption as aforesaid and shall pay the said debt and interest at maturity and shall forever hereafter save harmless and indemnify the said the New Chester Water Company its successors and assigns of and from all loss, damage, payments, actions, liability, responsibility, cost of expense by reason of the existence of the said mortgage or the debt secured by the accompanying bond or of any interest thereon or of any other matter or thing whatsoever in any manner arising out of, incident to or connected therewith; then this obligation to be null and void, otherwise to remain in full force and virtue.

Sealed and delivered in the presence of us
Geo. B. Lindsay,
S. U. Ward.

Samuel R. Bullock [L. S.]
Samuel A. Dyer [L. S.]
J. Frank Black [L. S.]

EXHIBIT, Nov. 14, 89. P. R. B. 9.

This Agreement made and executed this seventh day of July A. D. one thousand eight hundred and eighty-seven between *David M. Johnson, Thomas J. Houston, William C. Gray, John Lilley, Jr.,* and *Jesse W. Rawcliffe,* members of the City Council of the City of Chester in the State of Pennsylvania for the South Ward thereof, and *ex officio* corporators of the Water Works of the said South Ward, of the one part and *The New Chester Water Company* a corporation of the State of Pennsylvania of the other part.

Witnesseth, That Whereas the Chester National Bank has issued to the said party of the second part its certificate of deposit bearing even date herewith for the sum of two hundred and eighty one thousand three hundred and fifty dollars

payable in the amounts and in the manner therein particularly specified; and the said Certificate of Deposit has been transferred by the party of the second part as payment in part of the purchase money of the plant and other property of the said party of the first part, which has been transferred and conveyed to the said party of the second part.

Now for and in consideration of the premises and one dollar it is hereby agreed between the parties hereto and their several successors and assigns that the said the Chester National Bank its successors and assigns shall use the said above mentioned sum of money so deposited, and the avails thereof, for the purpose of paying, cancelling and discharging certain bonded indebtedness of the said party of the first part with interest thereon as the same may mature or at such other periods as the said Bank may be able to obtain the same by purchase; and whenever the said Bank its successors or assigns shall pay and produce duly canceled to the said party of the first part the bonds issued for the indebtedness aforesaid, amounting in the aggregate to the above mentioned sum of two hundred and eighty one thousand three hundred and fifty dollars, of principal, and all interest paid thereon by the said Bank, then the said certificate of deposit shall be returned to the said Bank its successors and assigns; and whenever at any time hereafter, the said Bank shall pay both principal and interest of any portion of the bonded indebtedness aforesaid and produce any of the said bonds duly canceled then the said party of the first part shall receipt on the said certificate of deposit on account for the portion so paid and delivered for cancellation.

And the said parties hereto further authorize and direct the said the Chester National Bank its successors and assigns to pay out the said moneys and the avails thereof at such times and in such amounts as may be required to pay the said bonded indebtedness and interest or any portion thereof; or to purchase the same as herein before provided.

In Witness Whereof The said party of the first part has caused this agreement to be signed by the president and secretary thereof with its corporate seal duly affixed and attested

and to be delivered as and for the act and deed of the said Corporation pursuant to a resolution duly passed by the said Board on the Seventh day of July A. D. one thousand eight hundred and eighty seven immediately prior to the execution of this agreement to be signed by its President and Secretary with the corporate seal thereof duly affixed and attested and the same to be delivered as and for the act and deed of the said The New Chester Water Company.

All done the day and year first above written.

SOUTH WARD WATER WORKS
By DAVID M. JOHNSON.

Attest:
GEO. G. JONES,
Secy.

J. L. FORWOOD,
President.

Attest:
W. H. MILLER,
Secretary.

Sealed and Delivered in the presence of us
SAML. LYONS,
S. U. WARD,
GEO. G. JONES,
W. H. MILLER.

EXHIBIT, Nov. 14, 89. P. R. B. 9½.

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SAMUEL A. DYER, *President.* S. H. SEEDS, *Cashier.*

CHESTER NATIONAL BANK

CHESTER, PA., July 7, 1887.

The New Chester Water Company has deposited in this Bank two hundred and eighty one thousand three hundred and fifty dollars payable to their order in the amounts and at the dates as specified below, viz.—

Jan. 1, 1892	$2,500.00
April 15, 1892	61,100.00
June 30, 1892	26,200.00

Jan. 1, 1893	$1,600.00
July 1, 1893	39,200.00
Jan 1, 1894	19,400.00
April 1, 1894	45,200.00
July 1, 1894	3,550.00
Jan. 1, 1895	10,500.00
March 16, 1895	5,400.00
Jan. 1, 1896	4,300.00
July 1, 1896	7,400.00
Jan. 2, 1897	1,300.00
April 1, 1897	2,500.00
July 1, 1897	15,100.00
Jan. 1, 1898	1,000.00
April 1, 1898	4,200.00
July 1, 1898	20,600.00
Jan. 1, 1899	4,200.00
Sept 20, 1899	1,000.00
July 1, 1900	4,000.00
Jan. 1, 1902	1,000.00
Jan. 1, 1902	100.00
	$281,350.00

EXHIBIT, Nov. 14, 89. P. R. B. 11.

KNOW ALL MEN BY THESE PRESENTS, That we Henry Palmer of the City of Chester in the State of Pennsylvania and Harriet A. his wife, for divers good and sufficient considerations and one dollar to us in hand paid by Samuel R. Bullock of the City of Brooklyn in the State of New York, the receipt whereof is hereby acknowledged, have remised, released, and quit claimed, unto the said Samuel R. Bullock, and to his heirs and assigns forever ALL THAT CERTAIN Plantation and Tract of land, situate in the Township of Chester, in the County of Delaware and State of Pennsylvania aforesaid, bounded on the North by the road leading to Duttons Mills; on the East by the Edgemont Great Road; on the South by

lands of Aaron Palmer and Thomas Palmer and by lands of Robert McCall, and on the West by lands of Aaron Palmer and Thomas Palmer aforesaid. Containing ten acres; together with all and singular the hereditaments and appurtenances thereunto belonging or in any wise appertaining and the reversions, remainders, rents, issues and profits thereof; and all the estate, right, title, interest, claim or demand whatsoever of us the said parties of the first part either in law or equity of, in, or to the above described premises. To have and to hold the same to the said Samuel R. Bullock, and to his heirs and assigns forever.

The said premises being the same which the said Aaron Palmer and the said Thomas Palmer by their deed duly executed and acknowledged dated the day of A. D. 1887 and intended to be recorded, for a consideration therein mentioned, granted and conveyed unto the said Samuel R. Bullock in fee.

In Witness Whereof, We have hereunto set our hands and seals this Fourteenth day of July A. D. 1887.

Sealed and delivered in the presence of us
SAML. LYONS
S. U. WARD.

HENRY PALMER [L. S.]
HARRIET A. PALMER [L. S.]

On this Fourteenth day of July A. D. 1887 before me the subscriber a Notary Public of the Commonwealth of Pennsylvania residing in the City of Chester personally appeared the above named Henry Palmer and Harriet A. his wife and in due form of law acknowledged the within Indenture to be their and each of their act and deed, and desired the same might be recorded as such, and the said Harriet A. being of full age and separate and apart from her said husband by me thereon privately examined and the full contents of the within deed being by me first made known unto her, did thereupon declare and say that she did voluntarily and of her own free will and accord, sign, seal, and as her act and deed, deliver

the within written Indenture, Deed or Conveyance without any coercion or compulsion of her said husband.

Witness my hand and official seal the day and year aforesaid.

SAML. LYONS,
Notary Public.

[SEAL]

Recorded in the office for recording of deeds &c. in and for Delaware County, Penna. in Deed Book H No. 6 page 472 &c.

Witness my hand and seal of office this 15th day of July A. D. 1887.

EDWARD BLAINE,
Recorder.

[SEAL]

EXHIBIT, Nov. 14, 89. P. R. B. 23.

RECEIPTS FROM OCT. 15th, 1867, TO MARCH 1st, 1887.

From Sale of Registered Bonds . .	283,250 00	
" One Coupon Bond Outstanding, ...	100 00	
		283,350 00
" Mortgage Payable		15,000 00
" Water Rents, ...		357,212 99
" Water Pipe, ...	38,867 58	
" Interest on same, ...	20,230 90	
" Permits & Ferules, ...	2,951 18	62,049 66
" Interest Acct. Proper, ...		2,087 19
" Property Rents & Wharfage		17,134 27
" Sale of Old Engine, ...		750 50
" Sundry Expenses Credits (& material sold		336 74
" Bills payable, ...		15,600 00
		753,521 35

Summary.

Total Expenditure for Construction and Maintenance Since Oct. 15th, 1867,		727,434 36
Total Receipts from all sources exclusive of Bonds sold, Mortgage and Bills Payable		439,571 35
Bal. of Expenditure over Receipts		287,863 01
Received from Bonds sold, exclusive of Com. Disct. & Ex.	269,613 00	
Received from Mortgage Payable,	15,000 00	
Received from Bill Payable,	15,600 00	
		300,213 00
Bal. Acct.		12,349 99
Due from Robert Anderson,	7,738 43	
Bal. subject to order Mar. 1st, 1887,	4,611 56	
		12,349 99

Expenditures from Oct. 15th, 1867, to March 1st, 1887.

For Com. Disct. & Expense Sale of Bonds,	12,737 00	
" One Registered Bond Redeemed	1,000 00	
		13,737 00
" Real Estate Foot Fulton St.	20,456 16	
" " " Concord Avenue	2,542 68	
		22,998 84
" Original Cost Construction, Reservoir, Supply Main, Engine, Pumps, Plans, Inspection &c.		79,505 40
" Water Pipe Distribution System		125,831 62
" Expense Acct. Labor, Salaries, " Coal oil, Material,		122,555 80

For Interest Acct. Bonds Mortgage floating Debt Bank disct. &c.		$326,769 87
" Engine & Boiler House Rebuilding, Repair &c.	3,372 44	
" New Engines, Pumps, foundation repairs, ...	18,130 60	
" Office Building, Furniture &c. .	1,380 87	
" Tidal Basin Foot Fulton St. . .	7,157 41	
" Raising Reservoir Bk. & repairing same, ...	2,239 26	
" Wharf Construction & repairs, .	11,450 14	
" Gen. Expenses, Building fences, roofing, Painting &c.	3,934 66	
" Tools, Insurance, Taxes &c. . .	2,109 45	
		49,772 83
" Due from Robt. Anderson, Shortage, ...	. . . . .	7,738 43
" Bal. in Bank March 1st, 1887, .	4,584 28	
" Bal. in hand " 1st, 1887, .	27 28	
		4,611 56
		753,521 35

Nov. 14, 87. P. R. B.—24.

STATEMENT B.

RESOURCES AND LIABILITIES OF SOUTH WARD WATER WORKS, MARCH 1, 1887.

RESOURCES AND LIABILITIES MCH 1st, 1887.

RESOURCES

Value of plant based upon estimate of amount required to replace the entire system at price of labor & material of today Mch 1st 1887 as follows.

Reservoir	10,000 00	
Pipes valve boxes special castings etc.	111,473 07	
Engines pumps &c.	13,800 00	
		135,273 07
Material on hand Mch 1st 1887	1,258 23	
Tools &c.	246 90	
		1,505 13
Office & office furniture		890 00
Real estate & buildings exclusive of office		25,000 00
Wharf Property		5,000 00
Due the works on % Rents 1887	4,121 38	
Due the works on Delinquent % as follows		
Book % rated good . . 1,504 60		
Judgment notes . . . 1,787 30		
Time notes 778 87		
	4,070 77	
		8,192 15
Bal. in Bank Mch 1st '87	4,584 28	
Bal. in hand Mch 1st '87	27 28	
		4,611 56
		180,471 91

LIABILITIES

Bonded debt	282,350 00	
Mortgages payable	15,000 00	
Bills payable	15,600 00	
Outstanding	800 00	
		313,750 00
Excess of Liabilities over Assets		$133,278 09

The amount due by the late Superintendent $7,738.43 is not included in assets. For this suit is now pending Deducting from the Total Excess of Liabilities this amount of $7,738.43 and the amount of Comns & expense on sale of Bonds, at a time when good security commanded from 7% to

7½% = 12,737.00 leaves $112,802.66. This amount of Excess of Liabilities represents 1st. The difference in labor and material in original construction and that of the same labor and material to-day, a difference of nearly 75%. 2nd The cost of running the works buying Engines and pumps of increased capacity, and maintenance during 14 years when the receipts of the works did not equal expenditure. 3rd Extension of distributing service and new supply main.

EXHIBIT, Nov. 14, 89. P. R. B. 30.

OFFICE OF THE NEW CHESTER WATER COMPANY

CHESTER, PA., July 7, 1887.

To the Corporators of the South Ward Water Works:—

You are hereby requested and authorized to transfer and convey all property real, personal and mixed that this Company is entitled to receive from you under and by virtue of the tripartite agreement executed between and among the City of Chester, your corporation and this Company and dated the thirty first day of May A. D. one thousand eight hundred and eighty seven, in the following manner to wit:

The real estate to Samuel R. Bullock

The personal property including money and choses in action to Samuel R. Bullock and William S. Mercer of the City of New York in the State of New York.

Witness our hands and seals of the said Company the day and year above written.

J. L. FORWOOD,
President.

Attest:
W. H. MILLER,
Secretary.

DAVID M. JOHNSON,
President.

GEO. G. JONES,
Secy.

[SEALS]

EXHIBIT, Nov. 14, 89. P. R. B. 30½.

OFFICE OF THE NEW CHESTER WATER COMPANY.

CHESTER, PA., July 7, 1887.

To the Chester National Bank:—

You are hereby authorized and empowered to collect and receipt for all water rents due this Company on the first day of July A. D. one thousand eight hundred and eighty seven and by virtue of the agreement between and among the City of Chester, The South Ward Water Board and this Company, dated the thirty first day of May A. D. one thousand eight hundred and eighty seven and to apply the proceeds of said collections to the payment of the interest on the bonded indebtedness of the said South Ward Water Board, due July 1, 1887.

J. L. FORWOOD,
President.

Attest:
W. H. MILLER,
Secretary.

[SEAL]

EXHIBIT, Nov. 14, 89. P. R. B. 31.

ABSTRACT OF BILL OF SALE.

The Corporators of the South Ward Water Works to Samuel R. Bullock and Company

For all the pipe system, tools, etc., of every description particularly described in the Schedules and owned by the assignors, which is a copy of the schedules attached to the tripartite agreement and numbered and in the possession of Messrs. S. R. Bullock & Co. This instrument is signed by

the President and Secretary of the Water Board with the seal duly affixed and attested and acknowledged by the officers.

The original was delivered to William C. Hannis, counsel for Hopper & Company.

OFFICE OF THE SOUTH WARD WATER BOARD,

CHESTER, PA., July 7, 1887.

At a meeting of the corporators of the corporation of the South Ward Water Works held this date with a quorum present the following resolutions were unanimously adopted:

Resolved: That a certain Agreement proposed to be executed between this Board and The New Chester Water Company and being an agreement supplemental to the tripartite agreement executed between and among the City of Chester, the said corporators of the South Ward Water Works and the said The New Chester Water Company bearing date the thirty-first day of May A. D. one thousand eight hundred and eighty seven, the said proposed agreement having been read to this Board, be approved, and that the President and Secretary be authorized and empowered to sign, execute and deliver the same with the corporate seal affixed and duly attested as and for the act and deed of this corporation and further that the said officers in manner aforesaid be authorized and empowered to execute and deliver all such instruments of writing and perform all such acts and deeds as they may deem necessary and expedient to carry into full force, effect and execution all the provisions of the said above mentioned agreements.

D. M. JOHNSON.
President.

Attest:
GEO. G. JONES.
Secy. Water Board.

[SEAL]

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CHESTER, PENNA., July 22, 1887.

Messrs. Samuel R. Bullock & Company.

GENTLEMEN:—Enclosed please find copies of papers evidencing transactions of July 7, 1887, as follows:—

1. Supplemental agreement between S. W. W. B. and N. C. W. Co.

2. Resolution of S. W. W. B. authorizing Supplemental Agreement and also execution of all other papers.

3. Abstract of Bill of Sale.

4. Assignment from S. W. W. B. to S. R. B. & Co. of all choses in action moneys, rights and credits.

NOTE:—The originals of Nos. 3 and 4 are in the possession of the Messrs Hopper.

5. Certificate of Deposit Chester Nat. Bank to N. C. W. Co.

6. Agreement S. W. W. B. and N. C. W. Co. to Chester Nat. Bank as to disposition of funds.

7. Order to Chester Nat. Bank as to collection and disposition of water rents due July 1, 1887.

8. Order from N. C. W. Co. to S. W. W. B. to deliver and convey all property to S. R. B. & Co.

9. Bond of S. R. Bullock, S. A. Dyer and J. F. Black to N. C. W. Co. against $15,000.00 mortgage.

The Bill of Sale and Assignment that went into the possession of Mr. Hopper, as I understand from Mr. Hannis were to have some further endorsements made upon them with reference to the New Water Company, and I am ignorant if this was made or if so, its nature. The above completes all the papers as far as I know with the exception of the deeds which you have already and the three promissory notes which we gave in substitution of the outstanding notes of the old board. If you have any memorandum of them, please advise me and I will be glad to supply you with copies.

Yours truly,

W. WARD.

Nov. 14, 1889. P. R. B.—33.

REPORT ACTG SUPERINTENDENT MAINTENANCE DEPT. NEW CHESTER WATER COY JULY 1887.

CHESTER PENN August 1st 1887.

To The President and Directors New Chester Water Comy.

GENTLEMEN. It has been the custom heretofore for the Supt. of these Works, to make brief monthly reports of the condition of the property under his charge, with such recommendations as suggested themselves to him for the proper conduct of the business. In accordance with this custom I submit the following report for July 1887, which is necessarily much fuller than usual.

Since the date of transfer of the South Ward Water Works to The New Chester Water Cos, Bills for the water Rent for the ensuing six months, according with the new rates have been sent out;—all permits issued;—and necessary purchases made, in the name of the new Company, under the general authorization of Samuel R. Bullock.

Reference is here made to an Estimate of Receipts and Expenditures for the six months from July 1st '87 to Jany 1st '88, placed in the hands of your. Solicitor, Hon. Wm Ward.

In that Estimate the amount of Receipts is fully low and will probably be exceeded, while the amount of current or working expense is higher than for the six months from Oct 1st '86 to April 1st '87.

Some explanation of these estimated expenditures may be required.

First.—With the constantly increasing demand from new premises and industries, especially in the Boro' of South Chester; the great amount used by the Combination Works; the large increase that renewed activity in the Del. Riv. I. S. B & E. Works, will require over the last six months;—the demand for temporary supply for the Arasapha Mills;—the

waste from Reservoir leakage and the more than ordinary consumption and waste due to the protracted heated term, the works have been and will be in the future taxed to their utmost capacity. The Wetherill pumps, with a practical capacity of 1,800,000 gallons are run 24 hours and the old pumps, with a practical capacity of 800,000 gallons from 10 to 16 hours daily, Taking the lowest time run this represents a daily consumption of at least 2,000,000 gallons or 118 gallons *per capita* on the basis of a population of 17,000. This involves a larger outlay for fuel and labor, the two chief items of expense, than one set of pumps of 3,000,000 gallons capacity would require by 20%. Our coal consumption now is from 6000 to 6300 lbs per day. Under the present circumstances I do not see how this can well be avoided.

Second.—There has been a small leak in the Reservoir for ten years past, probably a leaky joint in the force pipe leading into the upper basin. Three years ago this showed a decided increase in volume and an effort was made, I am informed, to reach and check it but abandoned without result. Within the past six months, and especially since the old pump has been run, it has become a source of serious waste and will I fear make us trouble the coming winter.

I had planned to make a careful examination and thorough repairs of the Reservoir this season. Plans and specifications for a Water Tower to supply the higher levels of the North Ward were ready in March last, and the Tower would have been completed by this time had those plans been carried out. It was the intention to supply the entire system by direct pumping, as now, with the Tower to govern the distribution, for such time as would be necessary to put the Reservoir in complete repair. Owing to circumstances, principal of which was the possible transfer of these works to other parties, in which case the Tower construction and permanent Reservoir repairs would be an unnecessary expense, this plan was, for the time, deferred.

I would suggest that the Chief Engineer of the New Company examine the Reservoir and suggest such measures for

the temporary check of this leakage as may occur to him, in case he deems it expedient to do anything in the matter.

Third.—The Main over the Third Street Bridge was disconnected over a year ago to allow of the rebuilding of that structure. The work was not completed till late in the fall of 1886, and when completed it was found that no proper arrangement had been made in the original Bridge plan for carrying the water pipe across. The place and space allowed for this on the plan were so manifestly wrong and inadequate as to be practically absurd, and even had this not been the case, after alterations in the Bridge seat would have made it impossible to put the pipe where designed.

Finding the Seventh St. Main adequate to the winter supply of that section of the city east of the creek, I judged it best to defer laying the pipe across the Third St. bridge until Spring, to give time for any possible settling in foundations and approaches. This Spring the circumstances operated to defer the work as in the case of the Tower.

Our sole practical dependence now for the supply of the North, and the larger portion of the Middle Wards is the 10″ pipe across the Seventh St. bridge. The demand is increasing in both Wards but especially so in the North, and within a week the Arasapha Mills may require a large supply for new Engines and condenser.

I would suggest that the Construction Dept lay their proposed pipe across Third St. bridge at as early a date as possible. This can be connected by reducers with the present main on Third St. and so remain until the new pipe is complete.

Fourth.—The demand from South Chester Borough is rapidly increasing under the impression that the New Chester Water Coy will eventually own the Borough plant and so no charge be made for pipe. During the month water has been introduced into many premises and into the Peoples Milling Co works, Law and Devinneys Cotton Spinning Mill, and Brick yard, and application has been made by the South

Chester M'f'g Coy, and there is a prospect of another larger concern requiring between 50,000 and 100,000 gallons daily, in the future.

Our only main now supplying the Borough is the 8″ pipe on West Third St. This pipe was one of the first laid and it is but reasonable to suppose that its capacity has been materially reduced by corrosion and deposits. Even at its best it could not have afforded any adequate supply for a large demand.

The completion of the line of 6″ pipe on West Second St. to the "Run" and its connection with the Borough system, requiring 475 ft between Lloyd and Howell Sts and 375 ft between Church St & the "Run," would insure a better supply for the time being and is, I think, a part of the new system. I would recommend this being done at once.

Fifth.—Other lines of pipe suggested in the Estimate referred to are needed for the introduction of water into sections where there is a demand which promises a fair and immediate return of income.

Sixth.—The timber frame work placed in the channel to support the mouth piece of the 30″ suction pipe, has been displaced, either by undermining by the current or by the anchor of some vessel, and in consequence the mouth piece now rests upon the bottom and sand and mud are drawn through it. A stone, say of six tons weight, placed upon the gravel of the river bottom at this point, to which the mouth piece could be bolted would obviate this trouble and the pipe could not be displaced by any ordinary accident. The price of stone and placing in position would be $200. The work would have to be done carefully as the pipe now is but 14 ft. below water. The submerged pipe has been examined the entire length and is reported in good condition. It is possible that some mud may be drawn through the joints where the pipe is bedded near shore but it is not likely this would amount to much and as none of the joints appear to be broken

it is not probable that the pipe was seriously damaged in laying as has been supposed.

In connection with this subject I would call attention to two applications which I have received. One is from Mr. William Lewis of South Chester who owns several properties in the South Ward of the city. He has 16 properties on West 2d Broomall and Ellsworth Sts. now supplied with water, and wishes to introduce water into 10 more on Broomall and 10 on Ellsworth. To save some expense he wishes to supply all these properties by means of a single attachment to the main on Broomall St. connecting with a pipe running up an alley and back of these properties and branching to each house, Unless he can do this he informs me, he cannot afford to introduce the water at all. I told him I would present his application although I could not approve or advocate it myself, and would act as ordered. My objections are :—

First.—There is a main on Broomall St. in front of these properties by which they can be properly supplied.

Second.—It would cost the Company not over $200 to place a pipe on Ellsworth St. which would return, from his properties alone, an income of $60 per annum.

Third.—The expense to himself would not be so great as he figures it, of connecting these houses in a proper manner, and

Fourth.—I have a very decided objection to this whole business of nests of houses dependant upon single attachment to main. We have too many of them now. They are constant sources of trouble. Since I have held my present position I have granted but two permits of this description, each case involving only from two to four houses, and in each case the permit distinctly provides that whenever the Works shall lay a main in front of said premises, the owner shall at once make connection with said main at his own expense and abandon the private pipe. When individual properties change hands or pass into other hands through the death of the present

owner, trouble is always likely to arise where the houses are thus dependant upon a private supply and the agents of the Company are often impeded and sometimes find it impossible to discharge their duty in shutting off water from any one of such properties.

In this case the Broomall St. houses have already a main in front of them as before stated and the Ellsworth St. houses can have one at a slight expense to the Company.

The second application is from Col. W. C. Grey, which I submit herewith. The objections to this are the objections which apply to private pipes generally except that in this case curb stops can be placed at each house and as the alley is public property the stops can be got at at any time. It might be better to run a two inch pipe up this alley. Probably more houses would avail themselves of the water.

The Arasapha Company, having put in a new Engine and condenser are now arranging for a private supply of water. They cannot complete their dam &c. before March and wish to know on what terms the Works will supply them temporarily with what they need.

The Bills sent out for the ensuing six months were made in strict accordance with the rates agreed upon. Some questions have arisen which should be decided as it is far better that the Supt. should have no discretion in this matter except as to disuse or diminished use of water To this end I would suggest the following additions to the rates.

Cold water Baths, used 6 mos. . . . . $3 pr annum.
Bars without water, but with Beer Pump where
water is used on premises . . . . . $10 "
Bars without water or Beer Pumps where water
is used on premises . . . . . $5.00 "

As it is the intention of the Company to supply Factories and other large consumers with meters, I would suggest the following meter rates: I am aware that the Meter, in one sense, discriminates against the works, yet, in another sense, it is a decided benefit as a check to unnecessary waste and as removing the ordinary cause of complaint, while in the case of

certain manufactures it is absolutely needed to determine with any accuracy the amount of water used.

Under	500				gallons daily,	20¢	pr	1000	Gals.
over	500	and	under	1000	"	"	18¢	"	"	"
"	1000	"	"	5000	"	"	16¢	"	"	"
"	5000	"	"	10,000	"	"	14¢	"	"	"
"	10,000	"	"	15,000	"	"	12¢	"	"	"
"	15,000	"	"	25,000	"	"	10¢	"	"	"
"	25,000	"	"	50,000	"	"	8¢	"	"	"
"	50,000				"	"	5¢	"	"	"

These rates are low—materially lower than in other places but are recommended for the following reasons :—

First.—The water supply from the Delaware is unfailing and not subject to accident.

Second.—It is not probable that the cost of pumping, including interest on cost of construction, will be over 4¢ per 1000 gallons.

Third.—The manufacturing interests of Chester are as large if not larger than any city of its size in the Union, new industries are springing up, and all should be encouraged for the general good of the Works in the future growth of the city, provided this can be done without loss to the works and if possible with a reasonable margin of profit.

Fourth.—A low rate does away with the dangers invariably attending "Special Contracts," which are apt to lead to unjust discrimination.

I would also suggest an alteration in Fountain rates. These are now too high. An advance on the Wilmington rates would be sufficient. When these rates were made up, they were unquestionably made too high by some clerical error.

FOUNTAINS

Flowing ten hours per day for six months in the year from a ½ inch Ferule ($5 being always charged for first opening.

For the first jet, of $\frac{1}{16}$ of an inch	$ 8 00
For each additional $\frac{1}{16}$ jet	3 00
For the first jet of $\frac{1}{8}$ of an inch	10 00
For each additional $\frac{1}{8}$ jet	5 00
For the first $\frac{1}{4}$ inch jet	18 00
For each additional $\frac{1}{4}$ jet	10 00
For $\frac{1}{2}$ inch jet (no larger allowed)	40 00

The Schedule rate for Public Schools is $5 pr 100 scholars This would make the water rent for nine schools $120 per annum. It is now $195 pr annum, and that is low. As I understood this at the meeting at which the rates were agreed upon, it was simply confirmatory of the rates previously charged. Those rates were "$5 for every 100 scholars and openings as in public buildings." As a matter of general good the works have heretofore charged for the openings only and that at much reduced rates. It is to be regretted that the rates adopted at that meeting were not submitted to the Supt. of the works before being scheduled for the action of the city. There are several points like this in which the action of the Committee was simply supplemental and in which a literal construction would not carry out the intentions of that meeting.

To the rules now in force, if the same should be adopted by the New Company, I would suggest the following additions.

First.—A rule making the use of lead pipe in all private services obligatory and specifying the weight of same, and making the inspection and acceptance of all such work by this office necessary before Water is turned on.

Second.—A rule by which Plumbers refusing or neglecting to obey the rules of this Company, shall be refused permits; for the first offense, six months; and for the second, at the discretion of the Supt. of the Works.

The Coal on hand would have been exhausted by August 6th. I have arranged with Matthews and Co. to deliver two car-loads a week of Summit Ranch, Lyken Valley Pea Coal,

at the same price, delivered in yard, as last contract, until final arrangements can be made for a winter's supply.

We have issued 14 Permits for the City, and 15 for South Chester Borough, and 6 Building Permits during the month of July, making 35 new premises.

We have received during the month.

From Water Rents	2,512	85
" Permits and Ferules	59	00
" Bdg Purposes	12	48
" Delinquents	40	00
" Judgt notes	50	47
	$2,683	80

The Receipts during January 1887, were

From Water Rent	11,938	48
" Permits & Ferules (mostly overdue)	47	00
	$11,985	48

Comparison of these suggests the possible advisability of offering a discount of 3%, or six months interest in advance, on bills paid within 30 days.

The Interest orders are due Jany 1st & July 1st of each year, and it is an object to make collections promptly. The old 5% discount was too much and most, if not all, who availed themselves of that will avail themselves of the 3%.

The present plan of "shut off in sixty days" ought to bring into the Treasurer $16,000 by Sept 1st if properly enforced.

It would, I think, be better still to alter the time for sending out bills from July 1st & Jany 1st to Oct. 1st and April 1st of each year. This would allow of sufficient time to get in the amount necessary for the semi-annual interest, without making a discount.

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The Bills now payable are as follows :—
Of those incurred prior to the Transfer :

Matthews & Co Coal %	499 32
Rees & Maley Wood	3 00
Chester Foundry & Machine Co. New Spur Wheel	83 39
Wm. H. Green Castings	33 00
	$618 71
To which must be added	
Sharpless & Co. Cogging Wheel (Belt not in)	40 00
Total	$658 71

(Total Scheduled obligations $641.39)
See envelope marked "A" accompanying—
Bills incurred since Transfer.

Chester Foundry and Machine Co.	13 27
J. M. Bottomeley Machinery %	3 75
Telephone Co Office Ex	17 50
John Spencer Bill Heads Do	9 50
Gartside & Turner Machinery & Repair	16 67
Leonard & Ellis Oil	21 00
J. M. Headley Haulage	50
Wm Shaler Johnson Salary for July	100 00
George Rodgmen Do Do	80 00
Robert Chadwick Repairs Tools &c.	2 55
Petty Cash.	7 95
Total	$272 69

See Envelope marked "B" accompanying,
The amount paid for labor during the month of July and since Transfer has been $201.50 of which

Pumping %	121 75
Maintenance Proper	65 25
Inspection & Distribution bills	12 00
Repairs Machinery	2 50
Total	$201 50

From the amount of Gartside & Turners bill should be deducted $3.03—incurred by these Works in repairing private service on Welsh St. broken in laying new pipe. This goes properly to Construction Dept—and bill is enclosed accordingly. Respectfully,

WM. SHALER JOHNSON
Acting Supt. Maintenance Dept.

EXHIBIT A, Nov. 15, 89. E. Z. B.

OFFICE OF SAML. R. BULLOCK,

Mortimer Building, 11 Wall Street.

Engineer and Contractor.

NEW YORK, June 2d, 88.

Mr. Chas. G. Hildreth, Secy., Holly Manufacturing Co., No. 45 Broadway, N. Y.

DEAR SIR:—The paper which you handed me not long since for signature by the officers of the New Chester Water Company, in order to make your lien upon the Pumping Machinery, furnished by you, through me, to said Company, of the same force and effect as the lien which you hold by virtue of your contract with me, I submitted to the Attorney of the said New Chester Water Company, or rather it was submitted to him by the officers of the Water Company, to see whether it would be a proper document for them to sign.

I enclose you herewith such document as the Attorney has prepared, and which he thinks, in justice to all hands, is about what should be executed. You will observe that he specifies a period of time which the Company shall have to pay for the machinery in, provided I shall fail to make satisfactory payments to you. This, I think, would probably meet your views, if the Company was to give its paper, bearing interest. I expect to be in funds to pay the indebtedness myself, and not let the Company do anything of the sort; but, in order to make you feel secure, and, at the same time not put the Company in a hole, so to speak, they think something like

the enclosed document ought to be executed. I wish you would have it drawn up in more formal and legal shape, if it is necessary to do so, and the main features should prove satisfactory to you, when I will have it promptly executed by the officers of the Company.

Yours truly,

SAML. R. BULLOCK.

EXHIBIT B, Nov. 15, 89. E. Z. B.

WHEREAS, Samuel R. Bullock & Company are in default in the payment to the Holly Manufacturing Company of a part of the purchase price of Pumping Machinery which Bullock & Company, among other things, contracted to construct and put in operation for the New Chester Water Company, of Chester, Pa., and by the terms of the contract between the Holly Manufacturing Company and Samuel R. Bullock & Company, the Holly Manufacturing Company have the right to retain a lien upon said machinery until the entire purchase price therefore is paid:

Now, Therefore, The New Chester Water Company do hereby recognize the right of said Holly Manufacturing Company to retain such lien and do hereby consent thereto, and for that purpose and to that end, that said Holly Manufacturing Company shall retain possession of said Pumping Machinery until the entire purchase price therefor shall have been paid, do consent, that the person placed in charge by them, of said machinery, shall act as the servant and agent of the said Holly Manufacturing Company for the retaining of such possession, and, for that end, to that extent; and the fact that the said machinery while under the (his) control (*of the said Samuel R. Bullock & Co., or the New Chester Water Company,*) shall have performed the service for which it was intended shall not be construed into a surrender of the possession of the Pumping Machinery either to the said Samuel R. Bullock & Co., or the said New Chester Water Company.

And said Samuel R. Bullock & Co., and New Chester Water Company agree, in consideration of the premises, to

reimburse said Holly Manufacturing Company for all expenses which they may, in any manner, incur, or be put to, in so retaining such possession; but nothing herein contained shall be construed in such manner as to make the Holly Manufacturing Company the party operating said Water Works;

And in Consideration of the signing of this paper by the officers of the New Chester Water Company, it is mutually agreed between the said Holly Manufacturing Company, and the said New Chester Water Company, that, should Samuel R. Bullock & Co. not pay the purchase price of said machinery to the said Holly Manufacturing Company, and the lien of the Holly Manufacturing Company be still retained upon it, they, the said New Chester Water Company, shall have eighteen (18) months from the signing of these papers for the payment to the said Holly Manufacturing Company, of such sums as shall still remain due upon said machinery, and should the sum that the Holly Manufacturing Company receive, either from Samuel R. Bullock & Co. or from the New Chester Water Company, be, in total, sufficient to pay for the price of one pump, then they shall become the sole owners of said one pump.

And it is Hereby Further Mutually Agreed between the Holly Manufacturing Company, Samuel R. Bullock & Co., and the New Chester Water Company, that they, the said Holly Manufacturing Company, shall perform such acts and sign such papers as may be necessary for the said Samuel R. Bullock & Co., or the said New Chester Water Company, to sell the bonds that have been issued upon the said Works, viz: One Million (1,000,000), five per cent, thirty year Bonds.

In Witness Whereof, the said New Chester Water Company hath caused this instrument to be signed by its President and Secretary, and its corporate seal to be hereto affixed, this

day of 1888, by authority of its Board of Directors, to that effect duly passed.

EXHIBIT C, Nov. 15, 89. E. Z. B.

(Copied from Letter Press Copy Book of Samuel R. Bullock & Co., No. 2. page 321.)

MAY 12th, 88.

Messrs. R. D. Wood & Co., No. 400 Chestnut St., Philadelphia, Pa.

GENTLEMEN:—We herewith hand you copy of paper submitted to us by the Holly Manufacturing Co., in order to have the same executed by the Officers of the New Chester Water Company. As you are aware, the Holly Company has been waiting quite a long time for payments which have been overdue, and which they say they do not care to take our paper for. This document was submitted as a substitute therefor, which would enable the Company to feel perfectly secure as to the ultimate obtaining of the contract price for Pumps, whilst it was of no immediate benefit to them, save as to prevent any legal entanglements which might arise, owing to default of payment for other material, which would make judgments or attachments fall upon property which was really owned by the Holly Company, and which had never been paid for by the Contractor or the Chester Water Co.

Before doing anything in the matter, we thought it best to submit the document to you and take counsel as to the proper course to follow in the matter. Please return enclosure, with your comments thereon, and oblige

Yours truly,

SAML. R. BULLOCK & CO.,

EXHIBIT D, Nov. 15, 89. E. Z. B.

(Copy of paper dictated by Mr. E. W. Bowen.)

WHEREAS Samuel R. Bullock and Co. are in default in the payment to the Holly Manufacturing Company of a part of the purchase price of pumping machinery which Bullock and

Co. among other things contracted to construct and keep in operation for the New Chester Water Works Company of Chester, Penna., and by the terms of the contract between the Holly Manufacturing Company and Samuel R. Bullock and Co. the Holly Manufacturing Company have the right to retain a lien upon said machinery until the entire purchase price therefor is paid; *Now therefore* the New Chester Water Works Company do hereby recognize the right of said Holly Manufacturing Co. to retain such lien and do hereby consent thereto, and for that purpose and to that end that said Holly Mfg. Co. shall retain the actual possession of said pumping machinery, until the entire of said purchase price therefor shall have been paid, and do consent that the person in whose care, custody and charge the said Holly Mfg. Co. shall place said machinery for the purpose of retaining such possession shall have absolute charge, control and direction thereof, as the servant and agent of said Holly Mfg. Co. and the fact that said machinery while under his control and direction shall have performed the service for which it was intended shall not be construed into a surrender of the possession of the pumping machinery either to said Bullock and Co. or said Water Works Co. and we agree in consideration of the premises to reimburse said Holly Mfg. Co. for all expenses which they may in any manner incur or be put to in so retaining such possession, and rendering such service, but nothing herein contained shall be construed in such manner as to make the Holly Mfg. Co. the party operating said water works.

In Witness Whereof the said New Chester Water Co. hath caused this instrument to be signed by its President and Secretary and its corporate seal to be hereto affixed this
day of 1888 by authority of its Board of Directors to that effect duly passed.

EXHIBIT E, Nov. 15, 89. E. Z. B.

(Copied from Letter Press Copy Book of Sam'l. R. Bullock & Co., No. 2. p. 351)

JUNE 2nd., 88.

Messrs R. D. Wood & Co., No. 400 Chestnut St., Philadelphia, Pa.

GENTLEMEN: We acknowledge receipt of revised memorandum, in the matter of Holly Manufacturing Company and New Chester Water Works, and have, to-day, forwarded it to said Holly Company for consideration, in accordance with the suggestions contained in your letter

Yours respectfully,

SAML. R. BULLOCK & CO.

EXHIBIT F, Nov. 15, 89. E. Z. B.

(Copied from Letter Press Copy Book of Saml. R. Bullock & Co., No. 3. page 30)

AUGUST 11, 1888.

Walter Wood, Care Atlantic City Water Works Atlantic City, N. J.

Have wired you at Philadelphia but repeat here in case you fail to get that Bowen and Hildreth agreed with me this morning to offset interest claim against my bills—They ought to meet you at Atlantic City this evening.

SAMUEL R. BULLOCK.

EXHIBIT G, Nov. 15, 89. E. Z. B.

AUGUST 11, 1888.

Walter Wood, Of R. D. Wood & Co., 400 Chestnut St. Phila. Pa.

Bowen & Hildreth called here this morning and agreed with me to let the charges I had against them balance the interest account. They have gone to Atlantic City to meet you this evening.

SAMUEL R. BULLOCK.

EXHIBIT H, Nov. 15, 89. E. Z. B.

(Copied from Letter Press Copy Book of Saml. R. Bullock & Co., No. 3. page 28)

AUGUST 11, 1888.

E. F. Fuller, Chester, Pa.

Please wire at once amount of our bill against Holly due to cutting floor and making excavation to repair pump—Need it this morning.

SAMUEL R. BULLOCK.

EXHIBIT I, Nov. 15, 89. E. Z. B.

OFFICE OF SAML. R. BULLOCK.

No. 11 Wall st.
N. Y. CITY Sept. 13th. 88

Mr. Chas. G. Hildreth, Secy. &c.

DEAR SIR:—The amounts due from us to your Company for the Pumping engines at Chester and Mobile are, $41,667.00 and $25,000.00 respectively, as mentioned in the memorandum of August 11th, 1888 besides the interest which has since accrued.

We hereby concede that your Agents at Chester and Mobile have controlled and operated the engines at those places since their erection, and that your contracts with us entitle you to such control, whilst we are in default of any payments thereunder required, and to a lien on said engines.

There is no controversy between your Company and ourselves in relation thereto.

Yours truly,

SAML. R. BULLOCK AND CO.

(Original sent to Phila Sept 17/88. Copy to Bowen.)

EXHIBIT J, Nov. 15, 89. E. Z. B.

THE NEW CHESTER WATER COMPANY

No. 425 Chestnut St.
PHILADA Septr 11/86

Mess. Saml. R. Bullock & Co. 11 Wall St. New York City

DEAR SIRS:—I am in receipt of yr. Esteemed favor of 10 inst. Covering inquiries of Chas. M Berrian Esqr.—and have also to acknowledge receipt to day of Book & papers per Express—

I now beg to Enclose herewith such documents and papers as I hope will entirely Cover the line of questions presented by your Mr. Berrian—but in event of their being not *thoroughly* satisfactory kindly Command me, & I will *get* anything You desire—these Cover all I can now place my hands upon at the immediate moment.

No. 1 *Proof of publication*—These are FILED in Harrisburg—not returned to the Compy—and for the moment I enclose—one copy of the papers containing published notices for all the four Charters—together with blank form—which were duly and regularly forwarded—and upon the *receipt* of which at Harrisburg the Charters were issued—(the *presence* of the Charters or *Letters Patent*, heretofore sent you for Examination,—being *proof* that all these matters had been *Complied* with) If however, you *prefer us* to show the advertisements, in copies of all the Newspapers of that time, we can get them—& even will have a deposition made to the fact if needful—

No. 2—*Proof of Registry*—We have no formal *acknowledgment* from the Auditor Generals Office of the receipt of our Registry—but as I had some little trouble at the time over our New Chester Co. Registry through failure of blanks to reach us—I enclose one letter from the Auditor General of that time—together with Copy of mine of inquiry (dated July 3. 1885)—and also my reply of July 7/85 in acknowledgment of his of 5th inst & Enclosing this Register now inquired about—The Registry required for the Borough Companies was sent

a few days Earlier—and the fact that they had been required caused me to make my inquiries of July 3. above referred to—Our Companies are all in regular form in this particular—but if you wish any proof from Harrisburg—we will give immediate attention—

No. 3 Receipts for Bonus &c I beg to Enclose our Treasury Vouchers holding Official Receipts Covering all Fees and Bonus charges on the New Chester Co: for the original Capital $20,000 & afterwards increased to $500,000—also, one Voucher for each of the *Borough Cos. fees & Bonus*

No. 4. Tax Receipts:—I paid considerable attention to this matter and enclose a letter of Decem 9/85 from Audr. Genl. Niles on subject of *Tax* of the City Company—also, letter of Decr 17/85 from our Counsel Hon. Wm. Ward—together showing about what we proposed to do—and the Report was accepted by the Department—bill rendered—and paid—same with receipts accompanying—as well also for the Borough Companies—which we have allowed to stand at a value of *$1000.* each in all matters connected with the State—

I have *small* MINUTE BOOKS of the *Borough Company* Organizations—everything in & about them has been carried with the same *Care* as to *Correctness* & I can forward any or all matters you may desire to see concerning them.

Concerning *Malcolm Peters*—it has been my wish as far back as last Christmas to attack him in the Courts—bring suit for damages, and injunction to prevent him from doing anything—but Mr. Ward (our Counsel) & Dr Forwood have urged the *opposite position*—we to remain passive & allow him to attack us—to which plan I finally agreed—but last winter when matters were fresh in my mind—I prepared a rather *lengthy* statement in a *Courts martial* form, which, had WE decided to attack—would have been the basis for the preparation of a bill—and I have upon looking it over, concluded it will *tell the story* from beginning to End—allow me to beg pardon for inflicting such a job on you or your worthy Counsel—*to read it*—but hoping you may gain valuable points from its Contents—I submit it as it is—Of course you understand I was claiming *damages*—which were only *imaginary*—

and *Mr. Peters* NEVER to our knowledge had a single penny charged to Co: % anywhere—

WE have always stood ready to Comply but *Mr Peters* always wanted to make some *outside dicker* which would, had we agreed, have broken the already too liberal Contract—His whole object seemed to be to gain Control & then to *sell out* to the CHESTER people who have all along been opposed to us—

I found today the memo. of Land purchase—*Original* with Counsellor Ward, who says it *holds good* if we want the land—also find *memo.* of pumping station bought on Chester Creek—and also a Circular of land offered *for sale* on other side of our reservoir purchase—showing our cost at *$400* to have been a bargain—The sites were *both* surveyed—

Kindly acknowledge & return when through with Enclosures & oblige

Sincerely yrs

W H MILLER

EXHIBIT K, Nov. 15, 89. E. Z. B.

No. 425 Chestnut St.
PHILADA Octo. 21, 1886.

Mess. Saml. R. Bullock & Co. No. 11 Wall—New York City

DEAR SIRS: I am authorized by my Colleagues to offer the entire Control and full Surrender of the Capital Stock of $500,000. with the Charters and franchises, of the New Chester Water Company—together with the entire Capital Stock & franchises of each of the *Three* Borough Companies, under Control of the aforesaid Company—and the direction and positions in Each & all the *four Companies*—under and subject to the Contract of Mr. Malcolm Peters, and the Appeal of the City of Chester and South Ward Water Compy. now pending in the Supreme Court of this State, and inclusive of Counsel fees—for the sum of Fifty thousand dollars, payable as follows:—

$20,000. in Cash—payments as may be arranged—

$30,000. in 600 Shares Capital Stock of The New Chester Water Company at present issue par Value of $50. per

Share—deliverable in such Certificates as may be desirable to us—

All further indebtedness—including all claims under any portion of the 300 shares, present issue of the Capital Stock of said Co., together with the Claim of Geo. H. Christian Jr. for Engineering Services—and the balance of Bonus (*$628.75*) due the State—to become at once due and Payable from out of the foregoing amount of Cash and Stock named as the price aforesaid

Very Truly Yours

W. H. MILLER

Acting as Attorney for the Executive Comee. of The New Chester Water Company.

EXHIBIT L, Nov. 15, 89. E. Z. B.

425 Chestnut St.
PHILADA Octo 28. 1886.

DEAR SIRS: I am pleased to report that I have recovered and cancelled the *10 shares* of Stock delivered for % pumping Station—& which with *25 other* shares just cancelled—leaves now a total issue of only 265 SHARES—in our absolute control, there being now in MY name & by powers attorney *200 shares*—in Dr Forwood *50*—in Dutton *5*—and in Christian *10 shares* (of this latter I hold a *proxy* to vote)

With no debts or judgments—and a complete *mastery* as per above statement—I feel you are entirely safe to proceed—

Very sincerely

W. H. MILLER

Mess. Saml. R. Bullock & Co

EXHIBIT M, Nov. 15, '89. E. Z. B.

No. 425 Chestnut St.,
PHILA Novem. 8 86—

Mess. Saml. R. Bullock & Co: New York City

DEAR SIRS: I failed to receive yours of 5 inst until this noon—the address "425 Chestnut" having been omitted &

there are quite a number of my name here—consequently delaying delivery to find the *right Miller.*

From the tenor of your said letter—and also the dispatch of last week I infer that the price named in my proposition has been favorably received—and that you now only wait the detailed report of Mr Fuller—& which I note you expected to have received last Saturday & then proposed addressing me—

Now—I do not wish to hurry you too much—but *curiously enough* when your letter was handed me I had just received a visit from 2 of Chesters prominent Citizens—who were on another of their Errands of Effort at a *consolidation*—and I can readily see that the intimation must have gone abroad that we are working up a new deal successfully—and they are becoming scared again—& feel anxious to buy our Charters— These are the parties Close to *Dr. Forwood* & naturally with ALL *his* interests there—he would lean toward such people—hence, I dont want my deal interfered with—and only fear a continued delay on your part would cause pressure to be brought upon me to consider a proposition from that source—& which I am extremely anxious to avoid—therefore trust I may *see you* or hear by to-morrow or next day—at latest—so the thing can be *tied up* for good—

In haste Yours Truly

W. H. MILLER

EXHIBIT N, Nov. 15, 89. E. Z. B.

No. 425 Chestnut St.
PHILADELPHIA April 6, 89.

Mess. Saml. R. Bullock & Co: New York City

DEAR SIRS: I am in receipt of yr. valued favor of 5th inst Covering Checks $83. & $1373.75 and have already forwarded the Auditor Genl $23. to pay the Taxes—and the Secty of State $60. to pay fees for recording the increase of Capital ℅ So Chester & New Chester.

The cheque $1373.75 I cannot forward until I secure the return of Prest. Forwood as to *completion* of such increase—but which I hope to have by *to-morrow* & will forward all to Harrisburg at same moment. Enclosed please find Mr. Berrian's letter returned as requested—

I have been regularly forwarding receipts & papers to Mr. Berrian— Mine of 4th covering $60. fee receipts has not been acknowledged—but suppose it received—O. K.—

Mr. Berrian mentions supposition your Mr. Bullock has written "as to how he missed" me— This reads like so much *Greek*—kindly explain— I have been PRAYING to hear from Mr. Bullock, as my ROPE is about out, & I am pressed for settlements which I am unable to make & the relief promised by Mr. Mercer I am sadly in need of—

Very Truly &c

W. H. MILLER

EXHIBIT O, Nov. 15, 89. E. Z. B.

NEW YORK 18th July 1887

Received from Saml. R. Bullock & Co.—Ten Thousand Dollars, viz $1250.00 in cash, 1250.00 Note 1 mos, 2500.00 Note 2 mos, 2500.00 Note 3 mos, 2500.00 Note 4 mos. In full payment for cash due on purchase New Chester Water Co, as per agreement of Nov. 18th 1886.—

$10.000.00 WM H. MILLER

EXHIBIT P, Nov. 15, 89. E. Z. B.

No, 425 Chestnut St.
PHILADA Decem. 21, 86

Mess. Saml. R. Bullock & Co: New York City

DEAR SIRS: Nothing yet from Hubbard—and a letter from Peters received HERE to-day by his "trusted Lieutenant"—makes me suspect he will try once more to reach settlement before he surrenders to Hubbard—the latter *may* be too strong

& not permit delay—but we must patiently wait—and see—as my men are all "*on guard*" think he will soon "*Cave*"— As I shall have another *Gas day*—TUESDAY—of next week—and all rest open—would suggest your visit to Chester for re-organization &c be made on Wednesday—or Thursday at latest—as I think it would be well to notify the Attorney General of change of *Treasurer* before the Taxation blanks are sent forward or at least simultaneously—and as *31st* is the last day—we would not have much time to spare even after *Wednesday*—

I would also be much pleased to have you join the Doctor & Mr. Ward with self in a little dinner at the new Hotel—and therefore would be glad to know what DAY you are coming—so that all will be on hand— The Doctor seems to have his hands full of the "*new baby business*" just now and we must engage him ahead—

On referring to my former letters on the subject of Registration & Advertisement—I found I had explained on 11th September last—and forwarded Copies of advertisements— The wants of Saturday last seem to apply *only* to the Borough Charters—hence I wired today for further instructions— Should Mr. Berrian prefer to have COPIES of our registry as well as of the *filed* proofs of advertisement we will write Harrisburg immediately—during the present Administration's time & gain speedy attention—as *Secty Stenger* & *Dr. Forwood* are *friends*—and if you need ALL 4—please so advise & we will get *all at once.* I have been too busy, today, to give attention to *the other wants*—but hope to get down in good earnest at the entire matter tomorrow & will report at earliest moment

Very Truly &c

W. H. MILLER

P. S.—*Addicks* was "CRACKING UP" the *Dillaway* Combination today— Says they are *big men* & propose big investment

Ansd 12, 22, 86

EXHIBIT R, Nov. 15, 89. E. Z. B.

No. 425 Chestnut St.
PHILADA Decem. 30, 86.

Mess Saml. R. Bullock & Co: New York City

DEAR SIRS: Replying to yours of yesterday—would say that whilst you may find among the *Peters* papers, some of value,— yet I am not surprised at your expressions of disappointment over those I sent you of young Christian—for I never expected they would be of service. Mr C. was regularly elected in our Earliest career as *Engineer* of the Co: at fixed compensation of $5.000. or better—and he declined to withdraw excepting for a fee of $1500.—claiming not so much for work actually done & papers prepared, as for some lost opportunities whilst holding himself subject to our orders in 1885—and as he had placed the matter in hands of his Lawyer I felt that any Law suit *now Ended* would be worth money to you in immediate future—I did not stop to count the value of the papers we had received & which I really counted long ago as of no practical utility—all plans having been so materially changed since he was in the field—

I have had all the *Tax Return blanks* duly executed today—some 12 Seals being needful & have forwarded them to Harrisburg.

I beg to Enclose the sets of 4 copies Each of the Proofs of publication and Registers as requested by your Mr. Berrian—also please find letters of young Christian confirming my statements foregoing—Kindly acknowledge receipt of all enclosures.

I am now preparing all the balance of documents of any value whatever for final deliveries together with the old stock, books, Seals &c &c yet in my possession—& will either Express or bring them over at an early date—

Not hearing from Mr Hubbard as I hoped today—and beginning to feel that he may have heard something—I decided to *wire* him intimating that because of his letter of assurance I had opened negotiations—and that DELAY might from the

very nature of the case upset the deal—to which I have as yet no reply—and as I dont want to appear anxious excepting "for his sake"—I will not write before to-morrow—when if I do not hear—will give him a "*Stunner*"—Possibly a *trip to* BOSTON might help it.

Very Truly yours

W. H. MILLER

Ansd 12, 31, 86

EXHIBIT S, Nov. 15, 89. E. Z. B.

425 Chestnut St:
PHILADA December 23 1886

Mess Saml. R. Bullock & Co New York City:—

DEAR SIRS: In accordance with your *Mr. Berrian's* wishes I, today, addressed request to *Secty Stenger* for copies of 4 application proofs and 4 Certificates of Registry with Auditor Genl. and handed same to *Dr. Forwood* to mail with a letter of his own requesting Especial & immediate attention—& upon receipt will transmit to Mr. Berrian immediately—

Concerning reorganization—Doctor agrees today with you—but since he left me—it occurs to me—WHY should we make our meeting PUBLIC— Surely a few gentlemen could meet in the mayor's office—or, even in a parlor at the Hotel (without registry) & *no one* but those interested be aware of such gathering—leaving the *results* to be *proclaimed just whenever we get ready!!*—

My argument for an Early meeting is in what I feel to be the best interests—

1st. A new Treasurer or Secretary should send forward the *Taxation blanks* this week—as I feel not a *single* chance should be left open now as against the entire validity of the charters—& they are required by *31st*

2nd—From what *Dr. Forwood* just tells me the *South Borough* in last few days have put on *100 men* pushing their *pipe laying*—& so long as they *don't* connect with the old company's pipes *no harm* is being done—BUT—Mr. Ward

should be instructed to prepare all needful papers *at once* to be ready to apply for an injunction the *instant* any move for connection of pipes is made—and, in this—I would suggest, *anyway*, that you WIRE ME instructions, on receipt, to call on Ward with such orders—I will go to Chester tomorrow—Don't think it safe for message of such importance to be sent to Chester OPENLY!!— Probably he had best even commence in *advance* should we learn the operations are to be attempted—

Now—my reasons for *early meeting* are these—If Doctor Forwood could *privately even* assure these Borough people that we would soon be ready & that reorganization had been effected—his influence would stop the whole matter—the Borough people & Councilmen being very badly mixed and *divided* on the question of accepting the water of the *old Co:*—but their *great need* is compelling *our friends* there to keep quiet *because* we are practically out of the field—when by being in business shape—not only could you be better informed as to exact shape affairs are running—but ACTION be had wherever needful—without publicity as to your identity—& danger, I think, to the *Hubbard deal!*—I am ready to meet Mr. Hubbard any moment—in N Y—or in Boston if needful—& have written him to-day a non committal letter—advising him of the *activity* here of the "Lieutenants of Peters (another letter *to Peters*, TODAY, by *our Mr. Buck*, Peters best friend)—but I dont believe they know any more than just what I told Hubbard hence I hope my own to Hubbard will urge him to immediate action—

I have not yet gathered my papers together—but can now assure you that I have every part & portion of the TITLE to all 4 companies complete—*all old certificates* now in hand & excepting the need of *arranging* all in order & shipping—I am ready to hand you the Entire Enterprise in most excellent order—and in this particular I am ready to work day & night to have all papers & documents ready for delivery by Wednesday of next week if requisite—

Should you not agree with me—I would suggest the *Tax returns* be made out with ¼ capital paid in & sent here for

my signature & forwarding—so that no change may be yet known in Harrisburg—& will hold myself ready to go to Chester on T/D orders—

Very sincerely

W. H. MILLER

EXHIBIT T, Nov. 15, 89. E. Z. B.

425 Chestnut St.
PHILADA Febry 28, 87

Mess. Saml. R. Bullock & Co: New York City

DEAR SIRS: The Stock-book reached me safely, by Express, this morning—

I had not time to go to Chester today— Have written Doctor to meet me there *tomorrow* when I will get his signatures & return Stock

Very Truly &c

W. H. MILLER

EXHIBIT U, Nov. 15, 89. E. Z. B.

No. 425 Chestnut St.
PHILADA April 12, 87

Mess Saml. R. Bullock & Co: New York City

DEAR SIRS: Mr Ellis Morrison sends me the four original waivers as requested by you & I shall give immediate attention to sending same to Harrisburg—

Mr Keith has returned the New Chester Co *seal* to me & I shall retain it for present as it may be needed again in settlement of the land matters— Keith now has *possession* of the Reservoir land—

Hastily &c

W. H. MILLER

EXHIBIT V, Nov. 15, 89. E. Z. B.

425 Chestnut St.
PHILADA May 4, 87

Mess Saml. R Bullock & Co: New York City

DEAR SIRS: Your esteemed favor of 3d. at hand—and I now quite agree with contents—my TEMPER having also *cooled* in meantime.

I beg to enclose letter of *Mr. Ward* Explaining the need for both *Seals* wired for this morning—and trust you have already shipped them to Mr. Keith at Hotel Cambridge—where we can find them this Evening.

Mr. Ward will not need to make the answer for several days—at least not before Monday next week—and I would be glad if you will have *Mr. Berrian* send him the exact requirements he inquires for concerning contracts &c at an early moment to enable him to complete such answer in time—

Please don't forget the promised check—as I have arranged for its use.

Hastily & Truly

W. H. MILLER

EXHIBIT W, Nov. 15, '89. E. Z. B.

THE BALTIMORE & OHIO TELEGRAPH COMPANY.

Number 252—Sent by Em—Received by Em—Time 10.20—
Check 42 pd.

Dated Phila Pa 4

Rec'd at 63 Broadway, New York, 5, 4 1887

To Sam'l R. Bullock & Co 11 Wall St N Y

Ward requests my presence in Chester this afternoon concerning bond substitution reservoir account needs New Chester seal for same better express both seals to Keith hotel Cambridge requesting quick dispatch South Chester seal needed to make answer to borough bill please advise wires

W. H. MILLER

EXHIBIT X, Nov. 15, 89. E. Z. B.

THE BALTIMORE & OHIO TELEGRAPH COMPANY.

Number 85—Sent by L—Received by W—Time 2.45 P—
Check 11 Pd

Dated Phila Pa 26

Rec'd at 13 New Street. Direct Wires.

To S Bullock & Co 11 Wall

Dispatch rec'd one forty five seals sent Adams express office immediately.

W H MILLER.

EXHIBIT Y, Nov. 15, 89. E. Z. B.

No. 425 Chestnut St.
PHILADA April 28, 87

Mess. Saml R Bullock & Co New York City

DEAR SIRS: Your favor of 27th received—and the Bonds are also at hand this A. M.—

Doctor Forwood will be too busily engaged today with his entertaining the gentlemen he has engaged to meet Mr. Bullock in Chester—to be able to sign the bonds—but as I expect to see him this evening will endeavor to have arrangements made for *tomorrow*

I sent you the New Chester and South Chester *Seals* by Express—& have no acknowledgmt of their safe arrival— The *sealing* of the Bonds will be done on return, I suppose—

Very Truly

W. H. MILLER

EXHIBIT Z, Nov. 15, 89. E. Z. B.

425 Chestnut St.
PHILADA. April 23, '87

Messrs. Saml. R. Bullock & Co. New York City

DEAR SIRS: The Penn and Upland Seals did not reach me till about 12 o'clock—after I had sent several places & the Express offices in search of them—the explanation being a broken down wagon compelled return of the Stuff & Evidently my search had stirred up the delivery—or probably the delay would have been more extended. I sent the Sales Deeds and also the Eddystone charter to Media by special messenger requesting record immediately following the 2 Trust Deeds in order to keep records together—the Recorder names *3 weeks* as the time when we may expect their return—I will send him the fees next week & also have Registry return made with Auditor Generals office—when I will forward you statement of Expenditures— I will delay sending you the *Letters Patent* for Eddystone until return of the recorded application—when I will ship the powers of attorney for stock and all together to complete—

Very Truly

W. H. MILLER

EXHIBIT AA, Nov. 15, 89. E. Z. B.

THE BALTIMORE & OHIO TELEGRAPH COMPANY.

Number A 140 p—Sent by Wi—Received by H—Time 1217—
Check 9 paid

Dated Phila 23

Rec'd at 63 Broadway, New York, Apl 23 1887

To Samuel R Bullock & Co 11 Wall St N Y

Missing Seals arrived noon delayed by Broken delivery wagon

W. H. MILLER

EXHIBIT BB, Nov. 15, 89. E. Z. B.

THE BALTIMORE & OHIO TELEGRAPH COMPANY.

Number C 77 P—Sent by B—Received by Co—Time 11.40 a—
Check 16 pd

Dated Philada 23

Rec'd at 63 Broadway, New York, Apl 23 1887

To Saml R Bullock & Co 11 Wall St N Y

Where did you send Penn and Upland seals nearly noon and can't find them about here

W. H. MILLER

EXHIBIT CC, Nov. 15, 89. E. Z. B.

THE BALTIMORE & OHIO TELEGRAPH COMPANY.

Number B 42—Sent by E—Received by Sy—Time 10 a—
Check 32 pd

Dated Phila Pa Apl 22

Rec'd at 63 Broadway, New York, Apl 22 188

To Samuel R Bullock & Co 11 Wall St N Y

Please wire quickly what hour we may expect Clerk over with bonds arrangements will somewhat depend on time please express seals of Penn and Upland Companies for Deeds received from Berrian to-day.

W. H. MILLER

412

EXHIBIT DD, Nov. 15, 89. E. Z. B.

No. 425 Chestnut St
PHILADA April 18, 87

Mess Saml. R. Bullock & Co. New York City

DEAR SIRS: I am in receipt of your favor of 16 inst. covering check $101.25 for following %s.

$70.=Fees on Returns—Increase of Indebtedness of The New Chester and South Chester Water Cos

$31.25—Record fee and 1st Instalment of Bonus due on Charter of Eddystone Water Co:—

I beg to Enclose herewith Department receipts as follows:—

$30.	New Chester Water Co:	Increase of Capital	$4183
5.	do.	Presidents return of same . . .	$35
$30.	South Chester Water Co:	Increase of Capital	$4182
5.	do.	President's return ditto	$35.
$5.	Upland Water Co:	President's return of sale	$4184.
$5.	Penn Water Co:	do do	$4185.

These returns indicate satisfactory & formally made returns in the matter of the 2 sales and the 2 increase of Capitalizations— The returns of increase of *indebtedness* are of minor importance but shall receive attention the moment received—

Wrote you hurriedly from Chester last Evening Don't feel at all alarmed over the move there—but will do all possible to *prevent it* in order that *nothing* may be disturbed in your arrangements for proceedure in building—

Hastily & Truly W. H. MILLER

EXHIBIT EE, Nov 15, 89. E. Z. B.

No. 425 Chestnut St.
PHILADA April 15. 1887

Mess Saml. R. Bullock & Co: New York City

DEAR SIRS: I beg leave to enclose herewith our State Treasurer's receipt for *First* Instalment of Bonus due on Increase of Capital for

The New Chester Water Company . . . . $625.
The South Chester Water Company . . . $748.75

the papers for same being duly returned to day—

I did not hear from you as Expected with a small cheque for $31.25 to be sent forward % Eddystone Co.—which should go not later than Monday next—preferably to-morrow

By the *division* of our returns for Increase of Capital & Increase of Indebtedness there will be due on forwarding *another fee* of $70.—of which I have advised Mr Berrian—Our new administration seem to be *going* for all the FEES there are in us, in sight, or to be had

Please acknowledge receipt of enclosures

& oblige
W. H. MILLER
Scty

EXHIBIT FF, Nov 15, 89. E. Z. B.

425 Chestnut St.
PHILADELPHIA April 13. 1887

Mess. Saml. R. Bullock & Co: New York City

DEAR SIRS: I have this day forwarded to the State Department—Doctor Forwood's certified returns of the increase of Capital % New Chester Co: $500.000—and % South Chester Co: $599.000—with your check $20. to cover the four fees due on such returns—

And have also mailed to the Auditor Genl. your check $1373.75 endorsed to State Treasurer to pay the first instalment of bonus due on above increased Capitalization requesting forms of Registry which I believe will complete all requisites for present with the State.—

I have before me certified proof of publication of "*Eddystone*" Co. and a letter of transmittal to the State Department awaiting our Mr. Ward's signature & a fee check $31.25 to cover record fees $30 & the 1/8 of One per cent Bonus on $1000 Capital of said Co—Please *send me* same on receipt—I have a *bill* of other fees and expenses which I have been advancing for your account in connection with the 'Eddystone' & other matters & am anxiously awaiting an opportunity to see your Mr. Bullock concerning same, as well as on Contract matters—

Very Truly &c

W. H. MILLER

EXHIBIT GG, Nov. 15, 89. E. Z. B.

(Copied from Letter Press Copy Book of the Holly Mfg. Co., No. 12, page 622)

JAN'Y 26th., '88.

Holly Co.

DEAR SIRS:—At Phila. I found that our application for release of security was duly presented to Council and referred to the Finance Committee, a meeting of which will probably be held before Council meets again (which it will do Thursday next, Feby. 2nd.) and the matter given to the Chairman with power to prepare and introduce the necessary ordinance. There will be no unnecessary delay and no opposition I was told.

I saw Wm. G. Hopper and Co. about Bullock's affairs and was told that the statements made to me by Bullock, which I rehearsed to them, were all substantially correct, that is, that they have agreed in writing to advance him a sum total of money which it is believed will cover the cost, the estimates for which were made on a liberal basis, of completing Chester, Mobile and Greencastle, and they further said that nothing has occurred as yet to cause them to think that there would be a shortage. I told them that Bullock was behind in his payments to us to the extent of some $13,000 on account of Mobile that he was owing us on Chester and Mobile some $82,000 that he had made promises which he failed to keep and

that he naturally felt some solicitude as to how he was likely to come out. They replied that they believed he would come out all right and that they had faith in him. In answer to a question as to what they would do in case he was unable to complete the works within the limit of their loan they said, they "did not think it wise to change horses while crossing a stream," and that they would have to help him through. I told them about the lien and possession clauses in our contract, & that we were holding possession at Mobile. I thought best not to say we had notified Bullock that we would stop pumping if he did not pay up, nor suggest that we would take good bankable paper. I hoped they would inform me how much they had paid Bullock on the Mobile Engine, but they were not inclined to do so, but they will no doubt look it up & if he has devoted any of the money they will call him to account. On the whole the interview was satisfactory to me, because they confirmed what Bullock has said about his contract with them, and because I gave (verbally but positive) notice of our lien and possession rights, which we would not fail to enforce if it became necessary.

the money power behind the firm of Hopper & Co. is a Mr. Buckner of Phila. father in law of Hopper, a rich elderly man, who has had to do with building and owning Gas Works, is now largely interested in the Buffalo Gas Works and well known to E. C. Spalding of that city, whom I think Mr. Flagher has known for years.

Following is a copy of a letter received this morning from Mr. Bullock's office:—

"We have your favor of the 24th., together with seven bills of lading for an equal number of car loads of machinery (this being the second Mobile Engine), shipped to your order at Mobile.

We carefully note the extract from the letter sent you by the President of your Company. Mr. Bullock is now out West, and will not return here until Friday or Saturday of this week; probably not before Saturday night. It is, therefore, impossible for him to take action on this matter before his return. We can do, therefore, nothing more at present

than to acknowledge the receipt of the letter and to assure you that it shall be brought to Mr. Bullock's attention immediately on his arrival in New York."

Hopper told me that Bullock expected to stop, at Phila. about this time on his way home from Mobile where he went, after stopping in the West last week to try to close a contract with the City for hydrant rental.

I think it decidedly best for you to notify Turner not to haul the engine from the railway station, nor to unload any of it (until ordered so to do by you) so long as the Railway Company will allow it to remain on the cars without demurrage. Such an order if made known to Bullock's manager there, will be promptly wired to him here and give added force to our demand for money, but I would not order him to stop pumping without giving Bullock a week's notice after his return to New York. I will see him as soon as he returns.

Yours enclosing check for $500 on my account is received with thanks.

Also yours of yesterday concerning Mr. L. T. Smith of Leavenworth is recd. to whom I will extend courtesies if he calls or I can find him.

Am glad of your success at Dallas, Texas.

Fletcher is getting encouragement for the purchase of his 2nd. mortgage bonds at 75.

Yours Respectfully,

C. G. HILDRETH,

45 BROADWAY, NEW YORK. *Secy.*

EXHIBIT, Nov. 21st, 1889. C. H. G. No. 1.

OFFICE OF THE SECRETARY OF THE COMMONWEALTH OF PENNSYLVANIA.

STATE OF PENNSYLVANIA }
COUNTY OF DELAWARE } *ss.:*
CITY OF CHESTER }

Be it known that we the undersigned J. Larkin Forwood William S. Mercer and William H. Miller being the Judges appointed by the Board of Directors of The South Chester

Water Company to conduct an election of the Stockholders of the said Company for the purpose of voting for or against the following proposition.

To issue not exceeding $300,000. in the Bonds of this Company the payment of the same to be secured by a mortgage on all its property real and personal, and its rights privileges and franchises

Do hereby certify that after having taken and subscribed an oath as provided by law we conducted the aforesaid election at the office of the said Company in Chester Pennsylvania on the twenty-first day of March A. D. 1887 the time and place fixed for the holding of said meeting notice of the same by publication or otherwise having first been waived in writing by all the stockholders of the aforesaid Company; said Stockholders all being present in person (which waiver is hereto annexed) and that we received the votes of the said Stockholders in the manner provided by law.

And we do hereby further certify that at the close of the aforesaid Election we counted the number of votes cast in favor of and against the aforesaid proposition and that the result was as follows:—Ten (10) shares were voted in favor of the proposition to issue the Bonds as aforesaid, payment of the same to be secured by a mortgage, and that there were no shares voted against the said proposition.

And we do further certify that the persons or bodies Corporate holding the larger amount of the stock of the said Corporation have consented to each and every of the aforesaid propositions.

In Witness Whereof we have made and signed this return in duplicate this 21st day of March A. D. 1887.

J. L. Forwood
Wm. S. Mercer } *Judges.*
Wm. H. Miller

COMMONWEALTH OF PENNA.
COUNTY OF DELAWARE
CITY OF CHESTER
} *ss:*

Be it known that we the undersigned being all the Stockholders of the South Chester Water Company and all being present this twenty-first day of March A. D. 1887 have waived and do by these presents waive notice by publication or otherwise of the Stockholders meeting about to be held for the purpose of voting upon a proposition to increase the Capital Stock of the said Company from $1,000. to $600,000— and to issue not exceeding $300,000. of its Bonds. Payment of the same to be secured by mortgage.

J. L. FORWOOD
W. H. MILLER
E. F. FULLER
CHARLES M. BERRIAN
SAML. R. BULLOCK & Co
ELLIS MORRISON.

STATE OF PENNSYLVANIA
CITY AND COUNTY OF PHILADELPHIA.
} *ss:*

William H. Miller of Philadelphia Penna. being duly sworn doth depose and say that he is the Secretary of The South Chester Water Company, That the said Company is a Pennsylvania Corporation, and was created by virtue of an Act entitled "An Act to provide for the incorporation and regulation of certain corporations" passed the 29th day of April 1874, and the amendments and supplements thereto, with a capital stock of one thousand dollars, divided into ten (10) shares of one hundred dollars each.

And this deponent further says that on the 21st day of March A. D. 1887 the whole of the said Capital Stock of the said The South Chester Water Company was held for more than sixty (60) days prior to said date by the following-named parties to the number of shares set opposite their respective names namely

Samuel R. Bullock & Co.	Five shares	(5)
J. Larkin Forwood	One shares	(1)
William H. Miller	One shares	(1)
E. F. Fuller	One shares	(1)
Ellis Morrison	One shares	(1)
Charles M. Berrian	One shares	(1)

and that the aforesaid persons constitute all the stock holders of the said Company on the last mentioned date, and entitled to vote at the election held.

Sworn to before me this 15th day of April A. D. 1887. H. R. Shultz *Notary Public* [seal]

Wm H. Miller

State of Pennsylvania
County of Delaware
City of Chester
} *ss:*

I hereby certify that the following is a true and correct copy of a Resolution this day passed by the Board of Directors of The South Chester Water Company and of each and every part thereof.

"*Resolved* that a meeting of the Stockholders of this Company be convened according to law to take action on the following propositions

1st To increase the Capital Stock of this Company from $1,000 to $600,000.

2nd. To issue not exceeding $300,000. in the Bonds of this Company the payment of the same to be secured by a mortgage on all its property real and personal, and its rights, privileges and franchises.

Be it further resolved that Messrs William S Mercer, J. L. Forwood and Wm. H. Miller all being Stockholders of this Company be and they are hereby appointed Judges for the purpose of holding said election.

In Witness Whereof I have hereunto set my hand and affixed the seal of the said Company this 21st Day of March A. D. 1887.

WM. H. MILLER
Secretary

[SEAL]

Filed in the office of the Secretary of the Commonwealth, on the 21. day of April A. D. 1887.

J. H. LONGENECKER
Deputy Secretary of the Commonwealth.

OFFICE OF THE SOUTH CHESTER WATER COMPANY,
CHESTER PA. April 6th AD. 1887

To the Hon. Charles W. Stone Secretary of the Commonwealth.

This is to certify that by virtue of the consent of the Stock holders of The South Chester Water Company authorizing an increase in the indebtedness thereof, given at an election duly held for that purpose on the twenty-first day of March A. D. 1887 the indebtedness of the said Company has been increased by the issue of $300,000. of its bonds which are to be secured by a first mortgage on all its properties and franchises, Said indebtedness being issued for money and property actually received by said Company and for labor done.

J. L. FORWOOD
President

STATE OF PENNSYLVANIA }
COUNTY OF PHILADELPHIA } *ss:*

J. L. Forwood above named being duly sworn, says the facts set forth in the above certificate are correct and true.

Sworn and subscribed before me this 15th day of April A. D. 1887.

J. L. FORWOOD
President

H. R. SHULTZ,
Notary Public

[SEAL]

Filed in the Office of the Secretary of the Commonwealth on the 21st day of April A. D. 1887.

J. H. LONGENECKER
Deputy Secretary of the Commonwealth.

OFFICE OF THE SECRETARY OF THE COMMONWEALTH.

HARRISBURG, March 29th A. D. 1889

PENNSYLVANIA, *ss:*

SEAL.

I Do Hereby Certify, That the foregoing and annexed is a full, true and correct copy of the Election Return and Certificate of Increase of Indebtedness of "The South Chester Water Company" to an amount not exceeding $300.000, as the same remain on file in this office.

In Testimony Whereof, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed the day and year above written.

J H LONGENECKER
Deputy Secretary of the Commonwealth.

EXHIBIT A14, Oct. 7, 89. E. Z. B.

THE HOLLY MANUFACTURING CO.

Builders of the Holly System of Water Works and Manufacturers of the Gaskill Pumping Engines.

T. T. FLAGLER, Prest.
H. F. GASKILL, Vice Prest. & Engineer.
H. H. FLAGLER, Treasurer.
Chicago, Ills. Office,
Room 51 Home Insurance Bld.,
La Salle St.

Cincinnati, Ohio, Office,
Room 21 Glenn Building.
Boston, Mass. Office,
27 Federal St.
C. G. HILDRETH,
Secretary, Office, 45 Broadway,

Copy of receipt sent S. R. B. & Co. Apl. 13, 88.

NEW YORK, March 27th, 1888.

Received of Samuel R. Bullock & Co., eight thousand three hundred, thirty three and 33/100 dollars, being the full amount of the third and last payment on the first pumping engine furnished by this Company pursuant to a contract

dated February 24, 1887 for two pumping engines, for the water works at Mobile, Alabama, but this receipt is not to be construed as in any way relinquishing the right of the undersigned to a lien upon or to retaining possession of either or both of said engines and their connections until the whole amount of the purchase price of said engines and connections shall have been fully paid, according to the express terms and conditions of said contract.

$8333.33 (Signed) HOLLY MANUFACTURING CO
C. G. HILDRETH
Secy.

MINUTES OF THE NEW CHESTER WATER CO.

No. 425 Chestnut Street.
PHILADELPHIA, April 4th, 1885.

Directors' Meeting.

The Board of Directors of "*The New Chester Water Company*" held a meeting at 3.45 o'clock P. M. this day, at the above office, for Organization and other business.

Present—Messrs. Dutton, Christian and Miller.

On motion, Mr. Dutton took the Chair.

Election of Officers.

On motion, the Board of Directors proceeded to the election of one of their number for President *pro tem.* of this Company. Also, to the election of a Secretary and a Treasurer.

The Chairman appointed Mr. Christian as Teller, and Mr. John Dutton was duly elected President *pro tem.* Mr. W. Harry Miller was elected as Secretary, and Mr. Tycho Buck was elected Treasurer of the Company.

On motion, the Treasurer was authorized to direct the Secretary to have filed in the Office of the Secretary of the Commonwealth, the Statement and Certificate required by the Act of Assembly, as soon as the same is acknowledged and signed by the subscribers and the necessary affidavits made.

And also: that the Secretary be directed to spread the contents of such Certificate upon the Minutes of this Meeting.

Charter of Organization.

(Copy.)

To His Excellence: Hon. Robert E. Pattison, Governor of Pennsylvania.

SIR.—In compliance with the requirements of an Act of the General Assembly of the Commonwealth of Pennsylvania, entitled "An Act to provide for the Incorporation and Regulation of Certain Corporations" approved the 29th day of April, A. D., 1874.

We, the undersigned, five of whom are citizens of Pennsylvania, having associated themselves together in order that they may be incorporated and that Letters Patent may issue to them and their successors, according to law, *do hereby certify* :—

Name of Corporation.

1st. The name of the proposed Corporation is "*The New Chester Water Company.*"

Object of Corporation.

2nd. Said Corporation is formed for the purpose of the purchase, erection and maintainance of Works for the Supply of Water, and the furnishing of same for public and domestic use, to the City and Citizens of Chester, County of Delaware, State of Pennsylvania, and the suburbs thereof.

Place of Business.

3rd. The business of said Corporation is to be transacted chiefly in the City of Chester, where the principal office of the Company is to be located.

4th. Said Corporation is to exist perpetually.

Subscribers.

5th. The names and the residences of the subscribers, and the number of shares subscribed by each are as follows:—

Name.	Residence.	No. of Shares.
John Dutton,	Chester, Pa.	250
Geo. H. Christian,	Philada., Pa.	5
Wm. H. Miller,	Philada., Pa.	130
Tycho Buck,	Philada., Pa.	10
Joshua K. Lamb,	Chester, Pa.	5

6th. The number of Directors of said Corporation is fixed at three, and the names and the residences of the Directors who are chosen Directors for the first year are as follows:—

Name.	Residence.
John Dutton,	Chester, Pennsylvania.
Geo. H. Christian,	Philadelphia, Pennsylvania.
Wm. H. Miller,	Philadelphia, Pennsylvania.

Amount of Capital Stock.

7th. The amount of the Capital Stock of said Corporation is $20,000, divided into Four Hundred Shares of the par value of $50 (Fifty), and $2,000, being Ten per centum of the Capital Stock, has been paid in cash to the Treasurer of said Corporation, whose name and residence are Tycho Buck of Philadelphia, and the Balance of said Capital Stock is declared and taken as full paid stock, not liable to any further calls or assessments, to be issued in payment and purchase of lands, buildings, &c., &c.

JOHN DUTTON. [SEAL.]
TYCHO BUCK. [SEAL.]
GEO. H. CHRISTIAN. [SEAL.]
JOSHUA K. LAMB. [SEAL.]
WM. H. MILLER. [SEAL.]

Certificate of Recorder.

STATE OF PENNSYLVANIA }
COUNTY OF DELAWARE } *ss.*

Before me, the Recorder of Deeds, in and for the county aforesaid, personally came the above named, John Dutton, George H. Christian, and Wm. H. Miller, who in due form of law, acknowledged the foregoing instrument to be their act and Deed for the purposes therein specified.

Witness my hand and seal of Office, the 6th day of April, A. D. 1885. Signed,

EDWARD BLAINE,
Recorder.

Recorder's Certificate.

STATE OF PENNSYLVANIA }
COUNTY OF DELAWARE } *ss.*

Personally appeared before me this 6th day of April, A. D. 1885, John Dutton, George H. Christian, and Wm. H. Miller,

who being duly sworn, according to law, depose and say that the statements contained in the foregoing instrument are true.

JOHN DUTTON,
GEO. H. CHRISTIAN,
WM. H. MILLER.

Sworn and subscribed before me this 6th day of April A. D. 1885.

EDWARD BLAINE,
Recorder.

Resolution to make application for Charter.

On Motion: It was Resolved, that this Board of Directors proceed to Media, on Monday next, at the earliest practical moment, there to make the necessary affidavits to the application for Charter of this Company. And also, that the Secretary shall prepare and have inserted in two proper newspapers of Delaware County, the necessary advertisements of such application, according to law.

"Notice is hereby given that an application will be made to the Governor of the State of Pennsylvania, on the twenty-eighth day of , A. D. 1885, under the Act of Assembly of the Commonwealth entitled 'An Act to provide for the incorporation and regulation of certain corporations,' approved April 29th, 1874, and the supplements thereto, for the charter of an intended corporation to be called 'The New Chester Water Company,' the character and object of which is the purchase, erection and maintenance of works for the supply of water, and the furnishing of same for public and domestic use to the City and Citizens of Chester, County of Delaware, State of Pennsylvania, and the suburbs thereof; and, for these purposes to have, possess and enjoy all the rights, benefits and privileges conferred by said act of Assembly and all supplements thereto.

"The names of the subscribers to said Charter are John Dutton, Joshua K. Lamb, George H. Christian, William H. Miller and Tycho Buch."

To make assessment.

On Motion: It was Resolved that the Secretary make immediate notice that an assessment of Five Dollars ($5.00) per share is levied upon the subscribers of record in the aforesaid Certificate of Application for Charter.

A recess of five minutes being allowed by the Chair for the serving of such notice and collection of such assessment—due notice was made the Board that the sum of $5 per share on 400 shares of stock, $2000 cash in all, had been duly paid, and was at that moment in the hands of Mr. Buck, Treasurer.

Proper measures to be taken for the furtherance of Co's objects.

On Motion: It was Resolved that the Secretary Mr. W. H. Miller be and is hereby authorized to finish and complete all the necessary documents and papers in connection with and following the Charter of this Company. To prepare and present at the next meeting of this Company a full and complete set of By-Laws, in accord with the Laws of the Commonwealth, for the proper government of this Organization. To open and arrange all the books of record forms and accounts of this Company, and in all things generally, to give his best attention to the needs of this Company that it may be thoroughly prepared for active business in full accordance with the Law. And in consideration of such services together with his past services in connection with the securing of the land and water privileges of this Company—the Treasurer is hereby authorized and empowered to pay on demand to Mr. W. H. Miller, Secretary, the sum of Two Thousand Dollars in full settlement.

On Motion: It was Resolved, that the Secretary be authorized to purchase such Books as may be needed for the Records of this Company.

Adjourned.

On Motion: Adjourned to meet at call of the Chairman.

W. H. MILLER,
Secretary.

No. 425 Chestnut Street,
PHILADELPHIA, April 4th, 1885.

Meeting of Incorporators.

A meeting of "*The New Chester Water Company*" was held at above office, this day at 3.30 o'clock, P. M. for the purpose of Organization, Election of Officers, &c., &c.

Present:

Messrs. JOHN DUTTON	. . . . .	250 shares
GEORGE H. CHRISTIAN	. . . . .	5 "
WILLIAM H. MILLER	. . . . .	130 "
TYCHO BUCK	. . . . .	10 "
JOSHUA K. LAMB	. . . . .	5 "

in all representing the total Stock of the Company.

On Motion: Mr. John Dutton was called to the Chair, and Mr. W. H. Miller appointed Secretary.

Election of Directors.

On Motion: The meeting proceeded to an election for three Directors to serve for one year, or until the next annual Election.

The Chair appointed Mr. Tycho Buek, Teller, who was sworn at above office by Morris R. Bockius, Notary Public, as such Teller, and who, after ballots were cast, reported that Messrs. John Dutton, Wm. Miller and Geo. H. Christian, had received all the votes cast, and that they were unanimously elected the Board of Directors.

The form of statement and Certificate required by the Act of Assembly, to be filed in the Office of the Secretary of the Commonwealth at Harrisburg, with blanks to be filled with the names of officers to be elected, &c., &c., was then presented, and on motion was approved, and the same was ordered to be subscribed by all the subscribers, as soon as the said officers were elected by the Board of Directors, and their names filled in the blanks.

Adjourned.

On Motion: Adjourned at call of the Chairman.

Attest: W. H. MILLER,
Secretary.

"Copy."

No. 425 Chestnut Street,
PHILADELPHIA, May 1st, 1885.

To the Stockholders of "The New Chester Water Company."

GENTLEMEN: The Board of Directors of this Company has called a Special Meeting of its Stockholders, to be held at the above Office on Saturday afternoon the 2d day of May, A. D. 1885, at Three O'clock for the purpose of voting for or against an increase of the Capital Stock, and for such other Special business as may be brought before them.—By the President. Signed

W. H. MILLER,
Sect'y.

Directors' Special Meeting.

No. 425 Chestnut Street,
PHILADELPHIA, May 1st, 1885.

A Special Meeting of the Board of Directors of the New Chester Water Company was held at the above office at 11 o'clock A. M. this day.

Present: Messrs. Christian, Miller and Dutton.

(Copy.)

PHILADELPHIA, May 1st, 1885.

The undersigned Stockholders of *The New Chester Water Co.*, organized April 4th, 1885, and chartered by Letters Patent of April 29th, 1885, with a total capitalization of Twenty thousand dollars ($20,000) in Four hundred shares (400 shares) of a par value of Fifty dollars ($50) each, hereby waive the requirement of a sixty day published advertisement notice to us, of the intention of the said corporation to increase the capital stock thereof.

NAME	ADDRESS	SHARES.
JOHN DUTTON	Chester	250
WM. H. MILLER	Philadelphia, Pa.	130
GEO. H. CHRISTIAN	"	5
TYCHO BUEK	"	10
JOSHUA K. LAMB	Chester	5
Total of Capital		400

On Mr. Miller presenting a written Certificate of Waiver, by unanimous consent of the Stockholders of a published notice for sixty days for an increase of the Capital Stock of this Company, it was thereupon:

(Waiver of notice.)

Resolved: By virtue of an unanimous waiver of the required published notice by the Statutes of 60 days signed in writing by all the Stockholders of The New Chester Water Company—the Original of which is herewith presented and accompanying. And also, agreeably to a decision of Deputy Att'y. Genl. of the Commonwealth Robt. Snodgrass under date of Feb'y 15th, 1883, with reference to such unanimous waiver of notice as required by the Statutes. That a meeting of the Stockholders of The New Chester Water Company shall be called to convene at this office on Saturday afternoon, the 2d day of May, A. D. 1885, at Three o'clock, to take into consideration the subject of an increase of Capital in order to provide for the purchase of lands, building reservoir, erection of suitable buildings, purchase and laying of Street mains and connections, together with all other outlays for the proper construction of the Works of this Company. And to vote for or against an increase of the said Capital Stock from $20,000 to the amount of $500,000 (in 10,000 shares of a par value of $50 each) and that the Secretary be and is hereby directed to give notice thereof—Together with such other special business as may be brought before them.

And in pursuance of the aforesaid special object, the Board hereby designates Messrs. Geo. H. Christian, Wm. H. Miller, and Tycho Buek as judges to conduct the said election for or against the said increase of the Capital Stock of this Company.

On motion adjourned.

W. H. Miller,
Secretary.

(Stock.)

No. 425 Chestnut Street,
PHILADELPHIA, May 2d, 1885.

Pursuant to a regularly made call of the President, by order of the Board of Directors, a meeting of the Stockholders of "The New Chester Water Company" was held this day at 3 o'clock P. M.

Present:

Messrs.	John Dutton	250 shares.
	Wm. H. Miller	130 shares.
	Geo. H. Christian	5 shares.
	Tycho Buek	10 shares.
	Joshua K. Lamb	5 shares.

representing the entire Capital Stock of the said Company.

The President, *pro tem*, Mr. Jno. Dutton, called the meeting to order.

(Notice of Incorporation of Co.)

Secretary Miller announced that the charter of the Company had been regularly issued April 29th, 1885, by the Governor of the Commonwealth, and that on due receipt of same, he had forwarded the Certificate of Incorporation to Media, Pa., for record; that the same had been duly returned, certified as of record, and that the Company was now regularly and legally authorized to proceed to business as a Corporation of the State under and subject to the General Laws of 1874, and the amendments thereof; and on presentation of the said documents for inspection and examination of the Stockholders present,—On Motion, the same was adopted.

The Notice of Meeting from the Board of Directors (Copy of which is hereunto attached) was then read—the special reference of which being the requirement to increase the Capital Stock of the Company, owing to the adoption of a double pumping station and works largely augmented over and above the original plans,—and in order to provide for the purchase of additional lands, building reservoir, erection of suitable buildings, purchase and laying of street mains and connections, together with all other outlays in the proper construction of the works of this Company.

On motion: It was Resolved, That the Stock of The New Chester Water Company be increased to Five Hundred Thousand Dollars ($500,000)—And that an Election for or against such Increase of Stock be now held. Said Election being held by virtue of a Waiver of the required published notice of sixty days—same being signed by each and all the Stockholders of the said Company:—Copy of which is annexed to the Minutes of Board Meeting of May 1st, 1885 (herein written);—And also, agreeably to a decision of Deputy Attorney General, Robert Snodgrass, of the Commonwealth of Pennsylvania of February 15th, 1883, with reference to such unanimous waiver of notice as required by the Statutes, as per page 135 of Law Book entitled "Formation and Regulation of Corporations in the State of Pennsylvania."

The Board of Directors at their meeting held on May 1st, 1885, appointed Messrs. Geo. H. Christian, Wm. H. Miller and Tycho Buek as Judges to conduct the said Election;—the said Gentlemen being present, and having been duly qualified to act as said Judges, the President declared the polls to be now open.

(Election for or against Increase of Capital Stock.)

The election being held, the Judges declared the following vote to have been recorded:—

"In favour of Increase of the Capital Stock to Five Hundred Thousand Dollars ($500,000)

John Dutton	voting	250	shares.
Geo. H. Christian	"	5	"
Tycho Buek	"	10	"
Joshua K. Lamb	"	5	"
Wm. H. Miller	"	130	"

making a total of Four Hundred shares, being an unanimous vote."

And, the President thereupon directed the Secretary to so place upon record, the will of the Stockholders of this Company, as expressed by the said unanimous vote to Increase the Capital Stock thereof.

Number of Directors to be five instead of three.

On motion: It was Resolved: That the Board of Directors

of this Company shall consist of five members, instead of three, as arranged by the Certificate of Incorporation.

Nominations were declared to be in order.

Mr. John Dutton, President, gave notice that he had made regular transfer this day of Fifty Shares Capital Stock of the Company to Dr. J. Larkin Forwood of Chester, Penna. and therefore nominated the said gentleman as one of the new Directors of the Company.

Mr. Miller named Mr. Tycho Buek,—and the nominations were then closed.

Election of two extra Directors.

The Stockholders thereupon proceeded to an Election for two Directors to fill the vacancies, caused by the Resolution just adopted to increase the number of same to five:—and Messrs. Forwood and Buek were declared the unanimous choice of the Stockholders present.

Dr. Forwood being present, the Secretary gave due and formal notice to the said new members of the Board, of their election to same.

The Secretary presented a set of By-Laws for the government of the Company, and on motion, the examination, adoption and action on the same was deferred.

Adjournment.

On Motion: Adjourned to meet at call of the President at such time and place as shall be most suitable.

Attest: W. H. MILLER,
Secretary.

Directors' Meeting.

No. 425 Chestnut Street,
PHILADELPHIA, May 2d, 1885.

At call of the President, a meeting of the new Board of Directors was held this afternoon, immediately following the adjournment of the Stockholders' meeting for reorganization and other business.

Present: Messrs. Dutton, Miller, Christian, Forwood and Buek—five in all.

President: *pro tem.* Dutton in the chair.

The proceedings of the Stockholders' Meeting of this date were read for the information of the Board.

The Minutes of the preceding Board Meeting were then road and approved.

Resignation of John Dutton. Mr. John Dutton presented his resignation of the Presidency of the Company.

On motion, the same was accepted, to take effect on Thursday, May 7th, 1885.

Forwood elected President. Dr. J. Larkin Forwood was nominated to the Presidency of the Company, to hold Office for One year from and after the first Thursday of May in this year (May 7th, 1885) and unanimously elected.

Dutton elected Superintendent. On nomination by Mr. Miller Mr. Jno. Dutton was unanimously chosen as Superintendent of the Company to serve One Year from and after said first Thursday of May of this year, at a salary to be fixed at a later date.

Miller to continue as Secretary. On Motion: The Secretaryship at present held by Mr. W. H. Miller is hereby continued, and his position confirmed for one year from and after the said first Thursday of May, this year, at such salary as may be arranged in future by this Board.

On Motion of Mr. Buek, it was *Resolved:* That an Executive Committee, composed of Three Members of this board, and consisting of Messrs. J. Larkin Forwood, Wm. H. Miller and John Dutton, be and they are hereby appointed and elected to serve this Company for and during one year from and after the first Thursday in May of this year.

[Seal of Co.] On Motion, The Secretary was instructed to have prepared a Common Seal of the Company, and to have such Certificates of Stock and other printed or engraved matters or blanks as may be immediately needed prepared at the earliest possible moment.

On Motion, The President and Secretary shall constitute a Committee to prepare and submit any necessary appeals to the Councils of the City of Chester and surrounding Boroughs for the supply of water for public uses and such other matters as may seem requisite and politic.

Dr. Forwood suggested that the Board act upon the Election or appointment of the Engineer of the Co.

On Motion the Secty. was instructed to confer with Geo. H. Christian, Jr., inquiring his terms and condition for services as Engineer of the works of this Co.

Adjournment.

On Motion: Adjourned.

Attest: W. H. MILLER,
Secretary.

No. 425 Chestnut St.
PHILADELPHIA, May 5th, 1885.

Special Meeting of Directors. A Special Meeting of the Board of Directors was held at 3.30 o'clock P. M. this day.

Present: Messrs. Christian, Miller, Dutton and Forwood.

President Dutton in the Chair.

Charter amended. On Motion of Dr. Forwood, an amendment to the Charter of the Company was agreed upon, and the form of an advertisement of notice of same to the public was prepared and presented, and,

On Motion the same was adopted, and ordered to be inserted three times each in the "Evening News" and "Chester Times" of Chester, Pa.

Slip copy from the "Chester Times" of May 7th, 1885, is here inserted for record.

"Notice is hereby given that an application will be made to the Governor of the State of Pennsylvania, on the twenty-eighth day of May A. D. 1885, under the act of Assembly of the commonwealth, entitled, 'A supplement to an act entitled, an act to provide for the incorporation and regulation of certain corporations,' approved April 20th, 1874, providing for the improvement, amendment and alteration of the charters of corporations of the second class, and authorizing the incorpoaation of traction motor companies approved 13th day of June A. D. 1883, and known as the corporation amendment act of 1883, for an improvement, amendment and alteration of the charter of the New Chester Water Company—and that the

character, purpose, and object of the improvement, amendment and alteration to said charter applied for will be as follows, viz:

First.—To omit the last two words of the second section of the Certificate of Incorporation, viz: "suburbs thereof."

Second.—To substitute in lieu thereof the words—"Boroughs of North Chester, Upland, South Chester and together with the townships of land adjacent thereto in the said County of Delaware, State of Pennsylvania.

Attest: W. H. MILLER,
Secretary."

On Motion, the Secretary was directed to prepare and present the legal form of application for such amendment to the Governor of the Commonwealth and to have the same ready for signature and affidavits to-morrow, May 6th, 1885.

On Motion, the President and Secretary were directed to proceed to Media, Penna. on May 6th, 1885, there to record the said document and attend to such other matters in connection with the same as may be needful, and then to forward the papers at once to Harrisburg to the Governor.

Adjournment.

On Motion: Adjourned.

Attest: W. H. MILLER,
Secretary.

Directors' Special Meeting.

No. 425 Chestnut Street,
PHILADELPHIA, Saturday, May 9, 1885.

A Special Meeting of the Board of Directors was held this day at 4 o'clock P. M.

Present: Messrs. Forwood, Miller, Dutton, Christian and Buck.

This being the first meeting following the first Thursday in May, this year, and President *pro. tem.* Jno. Dutton's term of office having expired,

Dr. J. L. Forwood, the newly elected President of the Company assumed the Chair.

Sect'y Miller read the Minutes of the preceding Meetings, and same were approved.

On Motion:—The Executive Committee was directed to secure the services of a competent attorney as Solicitor for the Company.

On Motion, the Company's Seal as presented by the Secretary was adopted.

Adjournment.

On Motion: Adjourned.

Attest: W. H. MILLER,
Secretary.

Meeting Executive Committee.

CITY HALL, CHESTER, PA., May 12th, 1885.

A meeting of the Executive Committee of the Board of Directors of The New Chester Water Company was held this afternoon at above Hall for organization and other business.

Present: Messrs. Forwood, Dutton and Miller.

Dr. Forwood was called to the Chair, and—on motion—Mr. W. H. Miller was elected Secretary of the Comee.

On Motion, Mr. Geo. B. Lindsay was nominated as Solicitor of the Company, and Mr. Dutton appointed a Committee of one to invite him to this meeting.

It was then Resolved, that when we adjourn—we adjourn to meet on Thursday afternoon next, May 14th, 1885.

Adjournment.

On Motion: Adjourned.

Attest: W. H. MILLER,
Secretary.

Meeting Executive Comee.

CITY HALL, CHESTER, PENNA.,
Thursday, May 14th, 1885.

An adjourned meeting of the Executive Committee of the Board of Directors of "The New Chester Water Company" was held at 4 o'clock P. M. at above office.

Present: Messrs. Forwood, Dutton and Miller.

President Forwood in the Chair.

Dr. Forwood reported the declination with regrets of Mr. George B. Lindsay as Solicitor for the Company; owing to possible conflicting authority arising between the So. Chester Borough and this Company.

Dr. Forwood reported the acceptance by Mr. Richard Peters, Jr. of the nomination for permanent Treasurer of the Company.

Dr. Forwood reported his invitation to accompany a Committee of Chester Capitalists with others to the Exhibition now open at Atlanta, Ga. and his intention of being absent about one week from Saturday, 16th inst.

Orlando Harvey, Esq., City Solicitor of Chester, Penna., was nominated as Solicitor for the Company, and Mr. Dutton appointed Committee of one to see him concerning his acceptance of nomination.

Hon. William Ward was mentioned as a possible candidate for said position, and Dr. Forwood named as a Committee of one to interview him.

The Secretary was instructed to request Mr. Tycho Buek's resignation as temporary Treasurer, and to thank him for his past very efficient services, inviting him to be present at a meeting of the Board of Directors, which is hereby authorized and called for to-morrow (Friday) evening at this place.

Adjournment.

On Motion: Adjourned.

Attest: W. H. Miller,
Secretary.

Directors Meeting.

City Hall, Chester, Pa., May 15th, 1885.

A Meeting of the Board of Directors of The New Chester Water Company, called by order of the President, convened this evening as above.

Present: Messrs. Forwood, Dutton, Christian and Miller.

Minutes of the preceding meeting approved.

The Minutes of the Meetings of the Executive Committee —No. 1 held May 12th, 1885, and No. 2 held May 14th, 1885, were read and all approved, and ordered to be engrossed in the Minute Book of the Company, as part of the records of the same.

Resignation of T. Buek, Treas. Mr. Tycho Buek's Treasurer resignation with his cash account accompanying was presented.

After examination of the same, and its correct condition verified—On Motion—the cash account of Treasurer Buek, together with his resignation, was duly accepted, and a vote of thanks tendered him for his past very efficient and highly appreciated services.

On Motion: the report of Treasurer Buek was ordered to be incorporated in the minutes of this meeting:—

Buek's Report as Secretary.

(Copy.)

THE NEW CHESTER WATER COMPANY

Cash in ac. with Tycho Buek, Treas.

1885.					
April 4th.	Cash received by assessment of $5.00 per share on 400 Shares Capital Stock, viz:—				
	Jno. Dutton . . .	250 Shares	$1,250		
	Geo. H. Christian	5 "	$ 25		
	T. Buek	10 "	$ 50		
	Joshua K. Lamb .	5 "	25		
	W. H. Miller . .	130 "	650	$2,000	
April 4th	Loan ac. Cash advance by W. H. Miller				.50
April 29th	do. do.		do.	$ 20	
					$2,020.50

Credit of Cash Account:

1885.			
April	4th	Paid Notary fee	
"	7th	Paid W. H. Miller for bill of services rendered as ordered by Bd. of Directors Apl. 4th, 1885, ...	$2,000
April	29	Book of Laws	$ 3
April	29	Notary fees	$ 1
April	29	Telegrams, &c.	$ 2
April	29	Post stamps	.50
May	4	Company Seal on ac.	6
May	5	Expenses to Chester ac. amendment . .	2
May	5	Papers satchel	$ 2.50
May	5	Affidavits Media, &c.	2
May	5	Telephone	.25
May	8	Telegraph & Phone	.75
			$2,020.50

Showing a loan ac. due W. H. Miller of $20.50.

R. Peters, Jr., elected Treas.

On Motion: Mr. Richard Peters, Jr., was unanimously chosen Treasurer of the Company upon the announcement of a Certificate of 25 Shares of the Stock having been placed in Mr. Peters' name to render him eligible.

Mr. Tycho Buek's resignation as Director of the Company was then presented and accepted.

On Motion, Mr. Richard Peters, Jr., was duly elected to fill the vacancy caused by Mr. Buek's resignation, and the Secretary was requested to forward due notice thereof.

Adjourned.

On Motion: Adjourned to meet at call of the President.

Attest:

W. H. Miller,
Secretary.

Meeting Exc. Comee.

CITY HALL, Chester, Pa. May 25th, 1885.

A Meeting of the Executive Committee of the Board of Directors of The New Chester Water Company was held this morning at above place.

Present: Messrs. Forwood, Miller and Dutton.

Mr. Jno. Dutton was directed to obtain an agreement signed by Mr. Palmer or his farmer to avoid any litigation in the Tenants possession of the Reservoir land purchased for use of this Co.

W. Ward, Esq., accepts Solicitorship of Co. Dr. Forwood reported acceptance of the position as Solicitor of this Company at a salary of $300 per annum by the Hon. William Ward of So. Ward, Chester, Pa., and his name was unanimously confirmed.

On Motion adjourned.

Attest:

W. H. MILLER,
Secretary.

Directors' Mtg.

CITY HALL, Chester, Penna. May 28th, 1885.

A Meeting specially called by the President of the Board of Directors of The New Chester Water Company was held this afternoon.

Present: Messrs. Forwood, Miller, Dutton, Christian and Peters.

Hon. Wm. Ward the Solicitor of the Company was also present.

Minutes of preceding meetings approved.

Secretary Miller announced the notice received from Hon. Secretary of the Commonwealth Stenger of a protest having been entered in his office against the granting of our amendments, and naming Tuesday, June 2d, 1885, as the day set for hearing of same by the Governor.

Mr. Christian moved that the whole matter be referred to Solicitor Ward, with instructions to make a proper defence.

Mr. Ward announced his inability to proceed to Harrisburg on 2d June, but stated he would arrange a later date and also requested the company of several Company Officers to go with him on the errand to State Capital.

After an informal consultation and discussion about opening the streets, &c., the Secretary was instructed to make inquiries of Engineer Christian as to when he could possibly reach this City, in order to make some estimates as to the cost of the construction of works of the Co.

Adjournment.

On Motion: Adjourned to meet at call of Chair.

Attest:

W. H. MILLER,
Secretary.

Meeting of Executive Committee.

CITY HALL, Chester, Pa. June 6th, 1885.

A Meeting of the Executive Committee of the Board of Directors of the New Chester Water Company was held this day.

Present: Forwood, Miller and Dutton.

Report was made of the visit of Messrs. Forwood and Miller with Solicitor Ward to Harrisburg on 5th inst. to defend amendment of Charter against the protest of the Borough of So. Chester, and that the subject was held for decision by the Governor.

Mr. Miller reported in accordance with his instructions of Board Meeting No. 3 of May 2d, 1885, that he held the following proposal from Mr. Geo. H. Christian, Jr., concerning the position of Engineer of this Company, and

On Motion, the same was accepted, and Mr. Christian duly elected as the Engineer of the Company under and subject to the terms of said proposition.

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Proposal from G. H. Christian.

(Copy.)

Office of the Norwalk Gas Light Co.

NORWALK, OHIO, May 15th, 1885.

W. H. Miller, Esq., Sect'y of the New Chester Water Co., 425 Chestnut St., Philada.

DEAR SIR:—Your communication in regard to the position of Engineer of The New Chester Water Company received. Have delayed answering to give it due consideration.

It is rather difficult to state what percentage I should receive, not knowing the extent of your present plans, so it will be necessary for me to estimate on a plant such as I take it, you now intend building, namely: The laying of 18 miles of City mains, with 3 miles of supply mains, 2 pumping stations with connecting pipe, reservoir, filter bed, &c., at a cost of not less than $200,000.

On this basis, I ask two (2) per cent. in cash and one-half (½) per cent. in bonds as a consideration for my services as Engineer.

Should the above terms meet the views of your Co. I can sever my connection with this Co. here in the course of a week from the time I hear from you.

Very respectfully yours,

(Sd.) GEO. H. CHRISTIAN, JR.

On Motion adjourned.

Attest: W. H. MILLER,
Secretary.

Meeting of Executive Committee.

CHESTER, PA., June 13th, 1885.

A Meeting of the Executive Committee of the Board of Directors of The New Chester Water Company was held to-day.

Present: Messrs. Forwood, Miller and Dutton.

The Secretary reported Engineer Christian as having been present in Chester, and that he had made a tour of the entire district, taking measurements and observations preparatory to an estimate of cost of works of Co. and that he had advanced $50.00 ac. his expenses.

He also reported for record the fact that this Committee with the Company Treasurer and Solicitor had met the Councilmen of South Chester Borough on evening of 11th inst., and that full explanations had been made as to the rights of this Company, together with other matters desired to be made plain to said Councilmen, and that they proposed to take action concerning their protest against this Company on Monday evening, 15th inst., whether to sustain or withdraw the same.

On Motion: Dr. Forwood was constituted a Committee of one to interview Solicitor Ward concerning a withdrawal of the amendment to our Charter at the proper moment, and to visit Harrisburg in connection with the same.

On Motion: Dr. Forwood was appointed a Committee of one to arrange with Dr. De Lannoy for an analysis of the waters of Ridley and Chester Creeks.

On Motion: Mr. Miller was appointed a Committee of one to arrange with Mr. Simpson a visit to our proposed works, and also an interview with our Commee. in reference to a water supply to Eddystone.

Adjournment. On Motion: Adjourned.

Attest: W. H. MILLER,
Secretary.

Meeting of Executive Com.

CHESTER, PENNA., June 20th, 1885.

A Meeting of the Executive Committee of the Board of Directors of the New Chester Water Company was held at the Mayor's office, this evening, immediately after the adjourn-

ment of a conference of the said Executive Committee together with Solicitor Ward, and the Burgess and Councilmen of the Borough of North Chester, and which resulted in a favorable vote for the entrance of this Company into the said Borough for the delivery of water.

Present: Messrs. Forwood, Miller and Dutton.

Dr. Forwood reported the action of the Council of the Borough of South Chester, had on Friday evening, 19th inst. (a postponed meeting ordered for 15th inst.), as being entirely favorable to the Company by a vote of 4 to 2 members, and that their protest to our Charter amendment had been withdrawn.

The Chair also stated that Mr. Henry G. Morris, an Engineer of Philadelphia, had visited the site of the proposed works of the Co. at invitation of Treas'r Peters, and that he was very favorably impressed with scheme.

Mr. Miller reported a visit to James Simpson, Esq., and stated that the gentleman was too much engaged to give any attention to our invitation till after 24th inst. but seemed favorably inclined to delivery of water by our Co. to Eddystone.

On Motion of Mr. Miller, it was agreed that a canvass of the Wards of the City be immediately made, and said Resolution was amended by adding—the pay of canvassers shall not exceed $2.00 per day.

Mr. Miller was instructed to prepare some books for the use of said canvassers, and to have them in this City, Monday morning, 22d inst.

Dr. Forwood suggested some names and he was appointed a Committee to secure proper and suitable men for such positions.

On Motion: It was *Resolved* that a Committee visit Harrisburg on Saturday, 27th inst., next with reference to closing up Charter matters.

On Motion: Adjourned.

W. H. MILLER,
Sec'y.

Meeting of Executive Com.

CHESTER, PENNA., June 30th, 1885.

A Special Meeting of the Executive Com. of the Board of Directors of The New Chester Water Co. was held to-day.

Present: Messrs. Forwood, Miller and Dutton.

Chester newspaper bills were submitted and referred to the Secretary for attention.

Mr. Jno. Dutton reported having arranged with the County Surveyor for a survey of the Geo. G. Dutton and reservoir properties.

Secretary Miller reported the By-Laws prepared for the Company's use as ready for adoption.

On Motion same were deferred to next stock meeting.

Adjournment.

Adjourned.

W. H. MILLER,
Secy.

Mtg. of Executive Com.

No. 425 Chestnut Street,
PHILADELPHIA, Oct. 15th, 1885.

A Special Meeting of the Executive Committee of The New Chester Water Co.'s Board of Directors was held this day at above named office.

Present: Messrs. Forwood and Miller.

In view of the arrangements progressing toward making a Contract with Mr. Peters for the construction of the water Works of the Company the following form of a Resolution was agreed upon:—

"WHEREAS, The Executive Committee of the Board of Directors of the New Chester Water Company having reached the conclusion that their personal effort in construction of the works are unadvisable, they have decided upon making contract with some one or more responsible parties for such purpose,—and it is hereby Resolution.

Resolved: That all proceedings and all resolutions enacted in the past by this Executive Committee, which relate to such construction and payments therefor, and for services to be rendered in such construction, which would in any manner interfere with, embarrass or conflict with the action of such contractors, or their said contract, be, and they are hereby repealed,—and

Resolved: That this Executive Committee hereby agree to enter into a Contract for construction and furnishing of all the needful works and plant for this Company, together with the payment for, and furnishing of all lands, water privileges, &c., &c., necessary for the same, with Malcolm Peters of Boston, Massachusetts, as per the written forms of contract, copies of which are hereunto annexed; and, direction is hereby given the President and Secretary of the said The New Chester Water Company upon their approval of such Contract to duly and legally execute the same, by affixing their official Signatures, and the Seal of the Company in connection with signatures of the said Malcolm Peters in presence of witnesses in due form."

The Secretary was thereupon directed to prepare a written copy of the foregoing Resolutions, and have them in Chester ready for signature at the earliest practical moment, by all members of the Executive Committee.

On Motion: Adjourned.

W. H. MILLER,
Sec'y.

Meeting of Executive Com.

CHESTER, PENNA., Oct., 24th, 1885.

A Special Meeting of the Executive Committee was held in Chester this afternoon.

Present: Messrs. Forwood, Miller and Dutton.

The subject of signing the Resolutions as adopted at last meeting of the Committee and the possible commencement of legal operations by the So. Ward Water Works Company were under discussion, Mr. Malcolm Peters being present.

Discussion as to contract with Mr. Peters. After a very

decided opinion by Dr. Forwood, seconded by Mr. Miller that no papers would be signed unless it was understood and agreed that the money was ready, and in Mr. Peters' hands to commence immediately, and diligently prosecute the works to a completion, irrespective of any claim or suit in law or in equity by any parties against the New Chester Water Company—Mr. Malcolm Peters stated that such was his intention and desire; and, that he had been legally advised should the work be at once commenced—that no action could stop the same, and he proposed to commence active operations, and have the works well under way before the advent of bad and winter weather and which would naturally cause a suspension of operations.

With this assurance and the understanding that the Section of the Contract relative to time allowance for delays occasioned by any suit in law or equity was waived by the said Malcolm Peters, an immediate agreement to the remainings of the Contract was decided upon.

Several minor understandings, being also orally agreed upon—one of which being the agreement to employ the services of Geo. H. Christian, Jr., the engineer heretofore bargained with by this Executive Committee for the erection of the works—and upon a satisfactory adjustment of all such questions—it was agreed that the contracts should be signed as written, but with the mutual understandings and agreements as hereinbefore stated to be respected and carried out by the said Peters.

The Resolutions agreed upon at the meeting of 15th inst. were then duly signed by Messrs. Forwood, Miller and Dutton, and copy of same delivered to Mr. *Malcolm Peters*,

Attest: W. H. MILLER,
Secretary.

Adjourned meeting of Executive Com.

No. 425 Chestnut St.
PHILADELPHIA, Oct. 27th, 1885.

An Adjourned Meeting of the Executive Committee of the Board of Directors of the New Chester Water Company was held this day at the above office,

Present: Forwood, Miller and Dutton.

President J. L. Forwood in the Chair.

Contracts executed. The several Agreements for Contract prepared in accordance with the Resolutions of this Committee, adopted October 15th, 1885, for building of the works of the Company by Malcolm Peters of Boston, Mass. were presented; and, in accordance with the mutual understandings had on 24th inst. with said Peters, were duly signed and executed.

The Secretary was on motion directed to notify Engineer Geo. H. Christian, Jr., of the said Contracts having been executed, and that this Committee have the assurance that it is Mr. Peters' intention to engage the services of said Engineer Christian in connection with the construction of the works of this Company, in order to practically carry out the arrangements heretofore made by the Board of Directors of the Company with the said Engineer Christian.

On Motion: it was *Resolved* that the $5,000.00 cash payment to be made as per the said contract, by Malcolm Peters, for account of expenses already incurred in the organization of the Company, shall be received by Wm. H. Miller, Secretary, and disbursed by him for account of such said expenses. And said Secretary Miller is hereby directed to make an early settlement with all and every party to whom the Company may be indebted, and to return proper vouchers for such payments at the earliest possible moment to the Company's Treasurer.

Subscription of M. Peters. On Motion: it was *Resolved*, That the subscription of Mr. Malcolm Peters to the stock of the New Chester Water Company, when made by him in due form, shall be regularly entered upon the books of the Company to the amount of Three Thousand, Seven Hundred (3700) Shares as per said Contract, and for account of same.

Adjournment.

On Motion: Adjourned.

W. H. MILLER,
Secretary.

Certificate of subscription of M. Peters.

I, Malcolm Peters, of the City of Boston, State of Massachusetts, hereby subscribe for Thirty-seven hundred (3,700 Shares of the Capital Stock of The New Chester Water Company at the par value thereof: viz. Fifty Dollars ($50.00) per Share.

In presence of:—

Agreements.

Copies of Agreements as prepared under direction of Exc. Com. Oct. 15th, 1885.

No. 1.

THIS AGREEMENT made this Seventeenth day of October A. D. 1885 between *Malcolm Peters* of the City of Boston, Massachusetts, of the 1st part, and *The New Chester Water Company*, of Chester, Pennsylvania, of the second part *Witnesseth:*

That the said parties hereto for themselves and their respective executors, administrators successors and assigns, do, for and in consideration of the mutual covenants herein contained on the part of each, to be kept and performed, agree together as follows, to wit:

1st. That the said Malcolm Peters hereby agrees to subscribe for 3,700 Shares of the Capital Stock of the said subscription to be payable $5,000 in cash, and the balance as hereinafter set forth.

2nd. That the said The New Chester Water Company will contract with said Malcolm Peters for the erection of water works, payment for lands and other expenses, for the price or sum of $185,000 in cash, to be paid as may be agreed upon in said Contract, and the sum of $250,000 in first mortgage Bonds of said Company.

3rd. That the said Malcolm Peters shall not be required to pay the balance over and above $5,000 of said subscription to the said 3700 Shares of Stock except as he may be able to do so from the cash payments received for the erection and

cost of said water works and plant under the said Contract; the intent being that said Malcolm Peters shall have the free use of his cash for the purpose of the speedy completion of the said works.

In Witness Whereof, we have hereunto set our hands and seals the day and year first above written.

(Signed) THE NEW CHESTER WATER COMPY.
OF CHESTER, PENNA.

[SEAL.] J. L. FORWOOD,
Prest.

Attest:
W. H. MILLER,
Sec'y.

MALCOLM PETERS. [SEAL.]

Signed, sealed and delivered in the presence of us (the figures 3700 shares in First and 3d Sections, and $185,000 in Cash in the second section were corrected before signing.)

JOSEPH J. DE SILVER.
WM. B. BUCK.

No. 2.

THIS AGREEMENT made this Seventeenth day of October, A. D. 1885, between

Malcolm Peters of Boston, Massachusetts, of the first part, and

The New Chester Water Company of the City of Chester, Pennsylvania, of the second part, *Witnesseth*

That the said parties hereto, for themselves and their respective executors, administrators, successors and assigns, do for and in consideration of the mutual covenants herein contained, on the part of each to be kept and performed, agree together as follows, to wit:

1st. That the said Malcolm Peters shall and will purchase and pay for such lands and water privileges for the erection of water works for said, The New Chester Water Company, as

may be approved by them securing good titles thereto, free and clear from all encumbrances.

2nd. That the said Malcolm Peters shall and will construct a water works system of improved style and capacity to supply the City of Chester, and the surrounding Boroughs in Delaware County, State of Pennsylvania, with water to be taken from Ridley Creek, or Chester Creek, or both said Creeks, or such other water supplies as may now, or in the future be deemed advisable or desirable. And to lay all necessary mains, pipes and connections as shall be needful to provide the said City and Boroughs, and the inhabitants thereof with an adequate supply of pure water.

3rd. That the said Malcolm Peters shall and will commence the said works within thirty (30) days after the date of this Contract, and prosecute the same with due diligence to its completion, and have the entire work and plant ready for the delivery of water to consumers, finished and delivered to the said Company within one year, from and after date hereof.

Provided however, That if any delays are occasioned by legal process of any kind, either in law or in equity or by any City Ordinance, or by bad weather such as heavy rains, snow, ice or frosts, the time during the said party of the first part shall be so delayed, shall not be counted in estimating the periods aforesaid, in which said work shall be so begun or completed.

4th. That the said Malcolm Peters shall and will upon the completion of said works, make or cause to be made a deed in fee simple to said, The New Chester Water Company for the said lands, water privileges and water works, clear of all encumbrance, and deliver the same, with possession of said works in complete order for use upon the final settlement as hereinafter provided for.

5th. That the said, The New Chester Water Company will pay the said Malcolm Peters for said lands, water privileges and the construction of said water works the sum of $185,000 in cash, and $250,000 in first mortgage Bonds of said Company, payable in such time, and bearing interest at such rate as the said Malcolm Peters, prior to their issue, may designate.

6th. That the said The New Chester Water Company will, immediately upon the execution of this Agreement, cause to be executed their bonds to the amount of $250,000 of such denominations, bearing interest and payable as aforesaid, and to secure the same will execute a first mortgage upon their property, real and personal, acquired, and hereafter to be acquired, including especially said water works, lands and water privileges, and all their franchises, unto such Trustee as may be selected by said Malcolm Peters, and will place the said bonds when so executed in the hands of said Trustee as the said Malcolm Peters may select, for the purpose of delivering the same unto said Malcolm Peters as the construction of said works may progress, when and as demanded by the said Malcolm Peters. And, if the said Malcolm Peters can make sale of said bonds at any time prior to the completion of said works, then the said Trustee is hereby expressly authorized and empowered to deliver any or all of said bonds to him for the purpose of such sale, the proceeds thereof, less Bankers' commissions, to be returned to said Trustee to be held in lieu of said bonds, and to be paid to said Peters, on his demand, as the work progresses.

7th. That the said The New Chester Water Company will upon the said completion of said works and approval therefor by them, and the delivery of said deeds thereof, pay unto the said Malcolm Peters the sum of $185,000 in cash in full settlement for the land, water privileges and construction of works under the Agreement, *Provided however*, that during the progress of said construction, the said Company may at their discretion make payment of portions of said cash to the said Malcolm Peters on account of said work, as to them may seem due for the proportion of work then done.

8th. That the said New Chester Water Company further agrees that they will make their issue of Bonds sufficient by Increase of Capitalization at any prior to the completion of said works to meet any increased cost of plant, real estate, water privileges or other expenses of construction which said Malcolm Peters may find needful and necessary and to which cost of construction shall be allowed at twenty per cent. profit to Malcolm Peters in addition to the cost thereof.

9th. The said The New Chester Water Company further agrees that they will enact any and all Resolutions, and take such actions which as a Corporation they should make to further the objects for which this Contract is made.

10th. And it is expressly agreed that upon the completion of the said Contract if the said Malcolm Peters has received or there may be remaining in the part of said Trustee any portion of the said Bonds or proceeds of the sales thereof, over and above the cost of said lands, water privileges and expenses incident to their purposes and the cost of the construction of said works together with the said profit of Twenty per cent. on such cost of construction, he will return and reimburse the excess so received or held unto the said, The New Chester Water Company, for the use of the Treasury thereof together with Two Thousand ($2,000) Shares of the full paid Stock of the said Company for like use.

In Witness Whereof, we have hereunto set our hands and seals the day and year first above written.

(Signed) THE NEW CHESTER WATER COMPANY OF CHESTER, PA.

[SEAL.] J. L. FORWOOD,
Prest.

Attest:

W. H. MILLER,
Secretary.

MALCOLM PETERS, [SEAL]

Signed, Sealed and Delivered In the presence of The sum of $185,000 (One Hundred and eighty-five thousand dollars) in Fifth and Seventh Sections of foregoing Agreement corrected before signing.

JOSEPH T. DE SILVER
WM. B. BUCK.

No. 3.

THIS AGREEMENT made this Seventeenth day of October A. D. 1885 by and between *Malcolm Peters* of Boston, Massachusetts, of the first part, and *J. L. Forwood, John Dutton, Joseph T. De Silver*, of Chester, Pennsylvania, and *W. H. Miller*, of Philadelphia, said State of the second part. *Witnesseth:*

THAT WHEREAS, the said Peters has entered into a Contract of even date herewith with the New Chester Water Company for the building of a system of Water Works,

AND WHEREAS, the said parties of the second part are the owners of all the Stock in the Penn Water Company, the Upland Water Company, and the South Chester Water Company,

Now, therefore, In consideration of the making by said Peters of said Contract with said New Chester Water Company, and of One Dollar to us paid by said Peters the receipt whereof is hereby acknowledged, We, the said Dr. J. L. Forwood, John Dutton, Joseph T. De Silver and Wm. H. Miller do hereby sell, assign and transfer all our right, title and interest in and to said Stock in said Penn Water Company, said Upland Water Company and said South Chester Water Company and in and to said Companies and the Charters and Franchises thereof.

And, we further agree with the said Peters to do such further and other acts and sign all necessary papers and pass any votes needed to carry out this Agreement in its full intent.

It being understood and agreed, And this assignment to said Peters is upon the express stipulation that said Peters (or we, at his request in writing) is to turn over to said, The New Chester Water Company all the rights, privileges, &c., belonging to the said Penn Water Company, the Upland Water Company and the South Chester Water Company and the intent of this Agreement is that said Peters shall receive the whole consideration paid by said New Chester Water Company, for said rights and privileges &c. as a part of the consideration of the full performance by him of his said contract with The New Chester Water Company.

In Witness Whereof, The said parties have hereunto set their hands and seals the day and year first above written.

(Signed)	MALCOLM PETERS.	[SEAL]
	J. L. FORWOOD.	[SEAL]
	JOHN DUTTON.	[SEAL]
	JOS. T. DE SILVER.	[SEAL]
	WM. H. MILLER.	[SEAL]

In presence of
WM. B. BUCK,
WM. M. MCLAUGHLIN,
L. D. SNELBAKER.

Special Mtg. of Directors.

CHESTER, PENNA., November 17th, 1885.

At a Special Meeting of the Directors of the New Chester Water Company held in Chester this day with a quorum present (Messrs. Forwood, Peters, R. Jr. Miller and Dutton) the accompanying proposition of the said Company to the South Ward Water Board was presented and read. And thereupon the following Resolution was presented and unanimously adopted, to wit :—

"*Resolved*, That the several propositions contained in the annexed proposals of the said Company to the South Ward Water Water Company, be and the same are approved by this Meeting, and that the President and Secretary of this Company over the seal thereof are hereby authorized and empowered as and for the Act and Deed of the said Company to present the said propositions to the South Ward Water Company and to the Mayor and Council of the said City, and are hereby given further full power and authority to do execute perform and perfect all and every such other Deed, Contract, Act and thing as they may deem necessary and expedient to carry into full force and effect the several propositions of the said proposals.

Proposition of New Chester Water Co.

PROPOSITION OF THE NEW CHESTER WATER COMPANY TO THE SOUTH WARD WATER COMPANY.

1st. The New Chester Water Company hereby offers to pay all fixed charges of the South Ward Water Co. interest on their bonds and mortgages kept up for the use of the entire system owned by the said South Ward Water Company, including all pipes, engines, pumps, land and reservoir, until the expiration of said bonded indebtedness.

2nd. As the bonds of said South Ward mature said The New Chester Water Company will agree to retire said bonds, and pay the same upon the transfer to the said New Chester Water Co. by said South Ward Co. of a proportionate part of the property of said South Ward Water Works by good and sufficient conveyances thereof, it being understood that upon the payment of the whole of said bonded debt, and the assumption of any mortgages now upon said property, or any part thereof, the title to all the property of the South Ward Water Works shall pass to said New Chester Water Company.

3rd. That until said Bonded Debt shall have been paid as aforesaid by said New Chester Water Co. said Company will keep all the property of said South Ward Water Works up to its present standard.

4th. That said New Chester Water Company will charge no higher rates than are now charged by said South Ward Works, but will reduce said rates.

5th. That said New Chester Water Co. will give one seat in its Board of Directors to such member of the South Ward Board, as said South Ward Water Company may annually elect, and a seat on said New Chester Water Co.'s Board to the President of the City of Chester Council.

If, at any time before the payment of said Bonds as hereinbefore provided, said New Chester Water Co. shall fail to perform any of the conditions of its agreement with said South Ward Water Company said South Ward Water Board shall after thirty days' notice in writing, shall have the right to resume control, and take possession of all its property pro-

vided said New Chester Water Co. shall not within said thirty days have fulfilled said conditions.

Said New Chester Water Co. will further agree to furnish the City of Chester free of charge, exclusive of rental for hydrants an adequate supply of water for all the purposes of the Fire Department, for flushing gutters for such streets as are curbed and guttered, and supplying such public fountains as the City may establish, provided such fountains shall be closed and kept closed during the continuance of a fire.

This proposition is based upon the intention of the said New Chester Water Company to build immediately a new system of water works, with an adequate supply of pure water, and with a head sufficient to supply any building within said City of Chester.

Signed

J. L. FORWOOD,

[SEAL.] *Prest.*

Attest:

W. H. MILLER,

Secty.

Stockholders' Mtg.

CHESTER, PENNA., November 17th, 1885.

At a special meeting of the Stockholders of the New Chester Water Company held in the City of Chester this 17th day of November A. D. 1885, all the Stockholders being present in person or by proxy, the proceedings and Resolutions of the meeting of the Board of Directors of this date were presented and read to the meeting and thereupon the following Resolution was unanimously adopted in words following, to wit:—

Resolved, that the Stockholders hereby ratify and confirm the proceedings and Resolution of the Directors had and passed at the meeting of this date, and hereby fully authorize and empower the said Board, and the Officers of the said Co. to do, transact execute and perform all and every such act,

deed and Contract as they may deem expedient and necessary to carry into full force and effect the several provisions of the said proposition.

Adjourned.

On Motion: Adjourned.

Attest: W. H. MILLER,
Secretary.

Present:

D. J. L. FORWOOD	50 shares.
JOHN DUTTON	50 "
W. H. MILLER	50 "
RICH'D PETERS, JR.	25 "
and proxies in W. H. MILLER for	120 "
present and voting in all	295 Shares.

Stockholders' Meeting.

CHESTER, PENNA. December 22d, 1885.

An adjourned meeting of the Stockholders of the New Chester Water Company was held this afternoon at 3 o'clock this afternoon in said City.

Present: Messrs. Forwood, Miller and Dutton.

After an informal discussion about the condition of the Contract with Malcolm Peters, action thereon was deferred until later date.

On motion, the By-Laws as presented at a Stockholders' meeting held May 2d, 1885, and deferred upon presentation at a Executive Committee meeting, held June 30th 1885 for later action were again presented and read, and Section by Section were unanimously adopted for the governance and control of The New Chester Water Company, and the Secretary directed to spread same in full in the Minute Book of the Company for further and future reference.

On motion: It was unanimously

Protest to be entered.

Resolved, That the Solicitor be directed to enter an immediate protest against the proposed Charter of the Ridley Water Company, as an infringement upon the rights of this Company in the matter of supplying water to the suburb of Chester, known as Eddystone.

Adjourned.

On motion: Adjourned.

Attest:

W. H. MILLER,
Secretary.

Special Mtg. of Ex. Com.

CHESTER, PENNA., December 28th, 1886.

A special meeting of the Executive Committee of the Board of Directors was held in Chester, this date, and the following communications prepared by Secretary Miller were presented, read and unanimously adopted and the Secretary directed to forward same without delay.

Communication from Sec'y of State (No. 1).

425 Chestnut St.
PHILADELPHIA, Dec. 28th, 1885.

Hon. W. S. Stenger, Secy. of the Commonwealth, Harrisburg, Pa.

SIR:—I have the honor to enclose herewith a formal protest against the proposed Charter of the Ridley Water Company, and beg that an early day for hearing of same be had.

Requesting the favor of a telegraphic reply.

I am, Sir,

Very respectfully

Your obedient servant

W. H. MILLER.

Communication from Secy. of State (No. 2).

Hon. W. S. Stenger, Sec'y of State, Harrisburg, Pa:

The New Chester Water Company hereby protests against the grant of any corporate privileges for the introduction of water to any Company operating in the Township of Ridley, County of Delaware, in this Commonwealth, in any portion of the said Township lying south and west of Crum Creek and thereby asserts that the New Chester Water Company under its corporate privileges heretofore granted has made examination of the said Territory with a view of introducing water therein and has the exclusive privilege for that purpose under its corporate rights duly granted by Letters Patent of its Commonwealth and thereby calls attention to the application of the Ridley Water Company fixed for hearing on Wednesday next December 30th, 1885.

THE NEW CHESTER WATER CO.,
By
W. H. MILLER,
Sec't'y.

Adjournment.

On Motion: Adjourned.

W. H. MILLER,
Sec't'y.

Directors' Special Mtg.

CHESTER, PA., December 30th, 1885.

A special meeting of the Board of Directors was held this evening at the residence of Dr. J. L. Forwood.

Present: Messrs. Forwood, Miller, R. Peters and Christian.

The resignation of Mr. Richard Peters, Jr., as Treasurer of the Company was presented, and on motion duly accepted with thanks for services rendered.

On motion, Mr. Geo. H. Christian was nominated Treasurer *pro tem.* and a motion was made and adopted that Secretary Miller deposit one ballot as an unanimous choice of Mr. Christian as such Treasurer *pro tem.*

Sec'y Miller thereupon declared the ballot deposited showing the election as aforesaid.

Adjournment.

On Motion: Adjourned.

W. H. MILLER,
Sec'y.

Directors' Mtg.

Mayor's Office,
CHESTER, PA., February 13th, 1886.

A meeting of the Board of Directors of The New Chester Water Company was held at the above office at 4 o'clock this day.

Present: Messrs. Forwood, Miller and Dutton.

Mr. Christian's excuse presented and accepted.

Resignation of R. Peters.

The Secretary presented the resignation of Mr. Richard Peters, Jr., dated February 1st, 1886, as a member of the Board, and, on motion, the same was accepted and the Secretary directed to tender the thanks of the Company to Mr. Peters for his services rendered.

Mr. Miller moved that Mr. Tycho Buck be elected to fill the vacancy and for the unexpired term of Mr. Richd. Peters, Jr., resigned, and same was unanimously agreed to, the Secretary being directed to deposit one ballot for the unanimous election of Mr. Buck.

On Motion, Treas'r Christian was directed to pay the assessed taxes of $3.00 by the State on the Borough Charters.

Sec'y Miller reported withdrawal of claim of the Ridley Water Co. to the territory lying south and west of Crum Creek in the Township of Ridley, covering Eddystone and the grant of Charter to said Company less the said territory and district.

A communication from Mr. Malcolm Peters concerning the Contract was read and laid over for future consideration.

Adjourned.

On motion: Adjourned.

W. H. MILLER,
Sec'y.

Mtg. of Exc. Com.

CHESTER, PA. April 3d, 1886.

A meeting of the Executive Committee of the Board of Directors of the New Chester Water Company was held this evening.

Present: Forwood in the Chair.

Resignation of G. H. Christian.

The resignation of Mr. Geo. H. Christian as Treasurer *pro. tem.* of the Company was presented and read, and on motion the same was duly accepted, and the Sec'y directed to return the thanks of the Company to Mr. Christian for his past efficient services.

Election of Treas. deferred.

On motion the election of a Treasurer was deferred till a later meeting, and Sec'y W. H. Miller directed to act in that capacity during the interim.

Adjournment.

On motion: Adjourned.

W. H. MILLER,
Sec'y.

Minutes of a meeting of the New Chester Water Co. held at Chester, Penna. February 17th, 1887.

Present: J. L. Forwood, W. H. Miller, Joseph T. De Silver.

The President occupied the Chair and the Secretary recorded.

The resignation of Mr. Dutton as a Director was then presented, and on motion duly seconded, received, read and accepted.

On motion of Mr. Miller, duly seconded, Mr. E. F. Fuller was elected to fill the vacancy.

Mr. Fuller who was present then took his seat in the Board.

The resignation of Mr. Christian as a Director and Treasurer was presented and on motion duly seconded received read and accepted.

On motion of Mr. Miller duly seconded, Mr. Charles M. Berrian was elected to fill the vacancy as Director.

Mr. Berrian who was present then took his seat in the Board.

The resignation of Mr. Buck as a Director was then presented and on motion duly seconded received, read and accepted.

On motion of Mr. Miller duly seconded, Mr. Ellis Morrison was elected to fill the vacancy.

On motion duly seconded, Mr. Emil Woltmann was elected Treasurer of this Company to fill the vacancy caused by Mr. Christian's resignation.

On motion, duly seconded, Mr. E. F. Fuller was appointed Chief Engineer of the Company at a monthly salary of three hundred dollars.

On motion, duly seconded, Mr. Charles M. Berrian was appointed General Attorney of the Company.

On motion, adjourned.

W. H. MILLER,
Secty.

Minutes of the meeting of the Board of Directors of the New Chester Water Company held at Chester, Penn. March 21st, 1887.

Present: Messrs. Forwood, Miller, Fuller and Berrian, and Morrison.

The President presided, and the Secretary recorded.

The President stated that a proposition had been received from Messrs. Samuel R. Bullock and Company of New York, making a proposition for the construction of this Company's proposed system of water works and submitting a form of contract therefor.

The proposition and contract was based on the recently prepared plans and specifications of the Chief Engineer of this Company.

The proposition had been informally examined and approved by the Board, and the advice of the Chief Engineer had been given in its favor.

Further consideration was given to the question of the terms of payment, and it was finally decided to accept the proposition and contract as submitted, subject to the consent of the Stockholders being given for the necessary increase of Capital Stock and the issue of Bonds.

A communication was received from the South Chester Water Company, making a proposition for the use of the machinery, reservoirs, &c., of this Company for supplying water through its own mains and apparatus.

This proposition had also been informly discussed before the meeting and had been considered advantageous to this Company, and was accepted on condition that the consent of the Stockholders to guarantee the bonds of the South Chester Water Company be given

Mr. offered the following Resolution in writing:

Resolved that a meeting of the Stockholders of this Company be convened according to law to take action on the following proposition

1st. To increase the Capital Stock of this Company from $500,000 to $1,000,000.

2nd. To issue not exceeding $500,000 in the Bonds of this Company, the payment of the same to be secured by a mortgage on all its property real and personal, and its rights, privileges and franchises.

3rd. To guarantee the payment of the principal and interest of an amount of the bonds of the South Chester Water Company not to exceed $300,000, the payment of said bonds to be secured by a mortgage of all the property real and personal of the said South Chester Water Company and of all its rights, privileges and franchises.

Be it further Resolved, That Messrs. William S. Mercer, Dr. J. L. Forwood and W. H. Miller all being stockholders of this Company, be and they are hereby appointed Judges for the purpose of holding such election.

Attest: W. H. MILLER,
Sec.

Minutes of a meeting of the Stockholders of the New Chester Water Company, held at the Company's offices at Chester, Penn., the 21st day of March, 1887.

There were present in person all the Stockholders,—representing 10,000 shares.

Mr. Forwood acted as Chairman, and Mr. Miller as clerk.

The Chairman read a certified copy of the Directors' Resolution calling this meeting, and a waiver of notice thereof signed by all the Stockholders.

Messrs. William S. Mercer, Dr. J. L. Forwood and W. H. Miller, the judges appointed to hold the election for or against the said propositions submitted to the Stockholders, then took and subscribed the oath as provided by Law.

The judges were then furnished with a statement of the amount of the Capital Stock names of Stockholders and the number of shares held by them respectively, which statement was signed and verified by the affidavit of the President.

The Transfer Book of this Company was then handed to the judges.

Mr. Miller one of the judges stated that all ballots must be signed by the holder thereof (there being no proxies present) and that anyone holding a share or shares transferred within the last sixty days would not be permitted to vote.

A ballot was first had on the proposition to increase the Capital Stock, and the election having been closed the judges proceeded to count the votes for and against the proposition, and declared that the number of shares voting in favor of said proposition was 10,000, and the number of shares voting against the said proposition was none.

A ballot was then had on the propositions to issue Bonds and to guarantee the Bonds of the South Chester Water Co., and the election having been closed the judges proceeded to count the votes for and against the propositions, and declared that the number of shares voting in favor of said propositions was 10,000, and the number of shares voting against the said propositions was none.

Duplicate returns of the said election were then made and signed by the Judges and delivered to the president.

The President was directed to file one copy of the said Election returns in the office of the Secretary of the Commonwealth.

The following Resolution was then offered:

Resolved, That in order to provide for its corporate purposes, the Board of Directors be and they are hereby authorized to issue in the name of this Company five hundred coupon bonds of the denomination of one thousand dollars each to be dated April 1st, 1887, numbered consecutively from one (1) to five hundred (500) both numbers inclusive amounting in the aggregate to Five Hundred thousand Dollars with semi-annual six per cent. interest coupon thereto attached. The principal of the said Bonds to be payable on April 1st, 1917 in Gold Coin of the present standard of weight and fineness, and the interest in like Gold Coin on the first day of April and October in each and every year until the maturity of the Bonds, which Bonds and Coupons shall be issued free from all United States, State and Municipal taxes levied or to be levied, and shall be otherwise in such form as the Board of Directors may deem proper.

And for the better securing the payment of the principal and interest of said Bonds this Company shall make execute and deliver to the Farmers Loan and Trust Company as Trustee for all who may become owners and holders of the said Bonds, a Mortgage or Deed of Trust conveying to said Trustee all the property of this Company and all its rights, privileges and franchises including future acquisitions to be more particularly described in said Mortgage or Deed of Trust which shall contain such further provisions including the form of Bond and Coupon as the Board of Directors may be advised are necessary and proper.

The said Bonds and Mortgage shall be signed in the name of this Company by the President and its Corporate Seal attested by the Secretary affixed thereto, and the Coupons shall be signed by the lithographed facsimile of the Treasurer's signature. Each bond shall be authenticated by a Certificate to be signed by the Trustee to the effect that it is one of the series authorized by this Resolution.

And Be it further Resolved that the Board of Directors be, and they are hereby authorized empowered and directed to take such further action in the premises without further order as they shall deem necessary.

Which was passed unanimously.

Minutes of the Meeting of the Board of Directors of the New Chester Water Company, held at Chester, Pa., June 30th, 1887.

Present:—J. L. Forwood, (President, in the chair) E. F. Fuller and W. H. Miller.

The President stated that the Board met for the purpose of ratifying the action of the Directors and officers of this Company as authorized by the Stockholders, at their meeting held March 21st, 1887, in respect to the agreement entered into with the South Chester Water Co. and the construction agreement with Saml. R. Bullock & Co. and also to confirm the action of the Directors and Officers in regard to the negotiations with the City of Chester and the South Ward Water Works for the acquirement of their water works property and franchises by this Company, and the Agreement entered into in pursuance thereof.

The originals of the documents alluded to were then produced and separately read by the Secretary.

Mr. Fuller offered the following Resolution in writing.

Resolved that the Agreement made and executed by and between this Company, and the South Chester Water Co. dated March 21st, 1887, and the Construction Agreement made and executed by and between this Company and Saml. R. Bullock & Co. dated March 21st, 1887, and the Tripartite Agreement made and executed by and between this Company and the City of Chester and the South Chester Water Works dated May 31st, 1887, and all the Acts and proceedings of this Board and theofficers of this Company relating to the said Agreements or any of them, or done in pursuance thereof be and they are hereby severally ratified, approved and confirmed.

The Resolution was adopted by an unanimous vote, and on motion the meeting adjourned.

Minutes of the meeting of the Stockholders of the New Chester Water Company held at Chester, Pa., June 30, 1887.

Present: J. L. Forwood, Chairman; E. F. Fuller, W. H. Miller, (acting as Secretary) representing in person or by proxy the total Capital Stock.

The Chairman stated that the meeting was called to ratify the action of the Board of Directors and officers in respect to certain matters set forth in the Minutes of the Board meeting held this day and just adjourned.

The Minutes of the meeting of the Board of Directors held this day (June 30, 1887) were then read.

The originals of the documents therein referred to were offered for inspection and perusal.

Mr. Fuller then offered the following Resolution in writing:

Resolved: that the Agreement made and executed by and between this Company and the South Chester Water Company dated March 21, 1887, and the Constitution Agreement made and executed by and between this Company and Saml. R. Bullock & Co. dated March 21, 1887, and the Tripartite Agreement made and executed by and between this Company and the City of Chester and the South Chester Water Works dated May 31, 1889, and all acts and proceedings of the Board of Directors and the Officers of this Company relating to the said Agreements or any of them or done in pursuance thereof be and they are hereby severally ratified, approved and confirmed, and be it further resolved that the said Agreements as executed be copied in full on the Minutes of this meeting.

The Resolution was adopted by an unanimous vote, and

On motion, the meeting adjourned.

Minutes of the meeting of the Board of Directors of the New Chester, Water Company, held at the offices of the Company at Chester, Penna., on the third day of May, 1888.

Present: Messrs. Forwood, Miller and Fuller.

Absent: Messrs. Berrian and Morrison.

A communication was received from Messrs. Saml. R. Bullock & Co. and on motion read, stating that the time for

the completion of the Company's works under its contract with Bullock & Co. had long since expired and that the works had not yet been fully completed. An extension of time was asked.

After much discussion, it was moved that the time for the completion of the works of this Company under the Agreement with Samuel R. Bullock & Co. be extended for the period of time allowed by law for this Co. to complete its works which was seconded and carried.

The communication from Bullock & Co. further stated that for various reasons set forth, they found it impossible to proceed with the construction and equipment of the plant for the amount of the Stock and Bonds agreed, and therefore requested the Company through its counsel, Messrs. Ward & Berrian, to devise measures by which the Capital Stock and bonded debt could be doubled respectively and issued to them under their contract.

This matter had been already informally discussed by some of the Directors with the Co's counsel, who advised them that it was impossible under the Law to comply with Messrs. Bullock & Co's request, but that legislation might subsequently be had which would permit of it.

It was therefore

Resolved, That the legal advisers of this Company, Messrs. Ward and Berrian, take such action when the law permits as may enable this Company to further increase its Capital Stock and Bonded indebtedness as requested and that Messrs. Bullock & Co. be advised that when the proper steps can legally be taken, that this Company will make and issue such additional Stock and Bonds to them under the Construction Contract of March 21, 1887, subject to the consent of the Stockholders to make such increase.

(EXHIBIT P. R. B. 28, No. 14, 1889.)

KNOW ALL MEN BY THESE PRESENTS, THAT, WHEREAS, Samuel R. Bullock, of the city of Brooklyn, county of Kings, and State of New York, and Carrie M., his wife, did, on the twelfth day of July, A. D. 1887, make, execute, and deliver to the undersigned, Harry S. Hopper, of the city of Philadelphia, in the State of Pennsylvania, a certain deed, bearing date that day, conveying to the said Harry S. Hopper certain real estate and other property situate in the county of Delaware and State of Pennsylvania, in said deed more particularly described, which deed was thereafter and on July 15th, 1887, duly recorded in the office of the Recorder of Delaware County, Pennsylvania, in Deed-Book 1, No. 6, page 452, &c.;

AND WHEREAS, William G. Hopper & Company, of the city of Philadelphia and State of Pennsylvania, did heretofore enter into a contract with Samuel R. Bullock & Company, agreeing to loan them moneys from time to time;

NOW, THEREFORE, KNOW YE, that I, the undersigned Harry S. Hopper, for myself, my heirs, and personal representatives, in consideration of the premises, and of one dollar, lawful money, do covenant, promise, and agree to and with the said Samuel R. Bullock, his heirs and assigns, and hereby declare that the aforesaid conveyance was made to me in trust as security for the repayment of the advances made and to be made by the said William G. Hopper & Company to the said Samuel R. Bullock & Company as aforesaid, and that upon the repayment thereof in accordance with the said contract with William G. Hopper & Company, the said conveyance is to be and shall become absolutely void and of non effect, and all my right, title, and interest in the property thereby conveyed shall thereupon cease and determine.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 29th day of July, A. D. 1887.

Sealed and delivered in the presence of } (Signed) HARRY S. HOPPER. [SEAL]

Recorded at Media, Delaware County, in Deed-Book H, No. 6, page 518, &c.

No. 3. *October Sessions, 1888.*

IN THE

Circuit Court of the United States,

For the Eastern District of Pennsylvania.

IN EQUITY.

The Holly Manufacturing Company

vs.

The New Chester Water Company; The South Chester Water Company; The Bienville Water Supply Company; William G. Hopper and Harry S. Hopper, trading, &c.; Richard Wood, George Wood, Walter Wood, and Stuart Wood, trading, &c.; and William Bucknell.

PLAINTIFF'S TESTIMONY AND EXHIBITS IN REBUTTAL.

ROWLAND EVANS,
R. L. ASHHURST,
L. F. & G. W. BOWEN,
Solicitors for Complainant.

HON. WILLIAM WARD,
Solicitor for the Water Companies.

R. C. DALE,
SAMUEL DICKSON,
Solicitors for R. D. Wood & Co.

WILLIAM C. HANNIS,
Solicitor for William G. Hopper & Co. and William Bucknell.

ALLEN, LANE & SCOTT, PRINTERS, PHILADELPHIA.

PLAINTIFF'S TESTIMONY AND EXHIBITS IN REBUTTAL.

	DIRECT.	CROSS
John C. Lockman	1	3
C. G. Hildreth	4	11
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" B "	18	
" C "	19	
" D "	20	
" E "	20	
" F "	21	
" G "	22	
" H "	22	
" I "	23	
" J "	24	
" K "	25	
" L "	25	
" M "	26	
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" Q "	28	
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" 2 "	42	
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Extracts from book marked "Specifications," from page 47 to page 79		

PLAINTIFF'S TESTIMONY AND EXHIBITS IN REBUTTAL.

PHILADELPHIA, Friday, August 15th, 1890.

Present—G. W. Bowen, Esq., Rowland Evans, Esq., for plaintiff; R. C. Dale, Esq., for R. D. Wood & Co.

JOHN C. LOCKMAN, recalled:—

(Mr. Dale requests counsel for plaintiff to state what they propose to prove by this witness.)

MR. BOWEN.—We propose to show the expenses which the Holly Manufacturing Company have been put to in running the Chester engines from the time they were put into service for the city supply of water up to about this time.

(Mr. Dale objects to this testimony as irrelevant to any of the issues in the cause, and, secondly, irrelevant because it should have appeared in chief and cannot be offered in rebuttal.)

By MR. BOWEN:

Q. You have already been sworn and have testified in this case on behalf of the plaintiff, the Holly Manufacturing Company, have you?

A. Yes, sir.

Q. Since you were so on the stand, have you up to this time remained in the employ of the Holly Manufacturing Company at Chester, in the running of and care of the water-works machinery at that place?

A. I have.

Q. The same as testified by you in your evidence before?

A. I have.

Q. Since that time have the works remained in substantially the same condition as at that time, so far as the possession and running of the same were concerned?

A. They have; they seem to remain in possession of the Holly Manufacturing Company without any trouble; previous to that we formerly had some trouble.

Q. Since then who had the entire charge of them?

A. I had entire charge.

Q. For the Holly Manufacturing Company?

A. For the Holly Company.

Q. And who paid your wages and the expenses up to this time?

A. The Holly Manufacturing Company.

Q. Have the Holly Manufacturing Company paid you your wages during this time?

A. They have.

Q. And certain other incidental expenses?

A. They have.

Q. Does this statement (showing witness paper) contain an itemized account of the moneys paid you since the works were put into service for the city, and all the incidental expenses paid by you, or by the Holly Manufacturing Company through you, in that service?

A. It does.

(Statement offered in evidence by Mr. Bowen and marked "Exhibit A, 8/15/90.")

Q. That statement brings your wages and the disbursements paid down to what date?

A. It really brings it to the 1st of August, with the exception of the hotel bill. I had three weeks of hotel bill in August; that is, paid in August. One week might probably be the latter part of July, but the bill was paid in August, and for three weeks.

Q. Are the charges contained in that bill the usual, ordinary, and reasonable charges for the service done?

A. They are.

Q. And it contains nothing except actual disbursements by the Holly Company on account of running that Chester works?

A. That is all.

Q. Aside from your own wages have all the other items of disbursement made by you been paid by money furnished you by the Holly Manufacturing Company for that purpose?

A. Yes, sir.

Cross-examined.

By MR. DALE:

Q. Who made up this statement?

A. I made up this statement. This is a year ago or more.

Q. You made this statement up from what?

A. From my file.

Q. From your own memoranda?

A. Yes.

Q. And you know of your own knowledge that the items in here are correct?

A. I do.

Q. Was that money expended by the Holly Company at the request of the New Chester Company?

A. I do not know as I can answer that; it was expended by the Holly Manufacturing Company in order to keep me there and run the plants.

Q. The Holly Company expended it there of their own free will?

A. I expect they did.

Q. Without any request from the Chester Company?

A. I expect they did without any request from the Chester Company.

Q. That is what you understand to be the case?

A. That is what I understand.

Re-direct examination.

By MR. EVANS:

Q. Do you know whether or not there was any such request by the Chester Company?

A. I do not know of any request from the Chester Company?

Q. Do you know whether there was or was not?

A. I do not know anything about it; I was formerly in the employ of the Holly Manufacturing Company, and continued there; my wages continued on there.

By MR. BOWEN:

Q. And the engines have been doing the regular service of furnishing the city with water?

A. They have.

Re-cross-examination.

By MR. DALE:

Q. You are the gentleman who was in charge of the engine at the time the possession was taken of them by the Chester Water Company?

A. I am.

Q. And the case then came up to court, did it not?

A. Yes, sir.

Q. You came up to the court-room yourself?

A. I did.

Q. And it was there agreed, in the presence of the court, that you should go back and work them without molestation?

A. It was; yes, sir.

CHARLES G. HILDRETH, recalled:—

(Mr. Dale requests counsel for plaintiff to state what they propose to prove by Mr. Hildreth.)

Mr. BOWEN:—We propose to show the matter in rebuttal of the testimony offered by the defense.

By MR. BOWEN:

Q. You have been heretofore sworn and testified in this case on behalf of the Holly Manufacturing Company?

A. Yes, sir.

Q. Since that time, and down to the present time, have you continued to be the secretary and one of the managing officers of the company?

A. Yes, sir.

Q. In August, 1888, and prior to the commencement of this action, did you have personal interviews with Mr. Walter Wood with reference to the subject-matter of this suit?

A. Yes, sir.

(Mr. Dale objects to Mr. Hildreth testifying further as to interviews had between himself and Mr. Walter Wood in August, 1888, he having been already fully interrogated thereto.)

By MR. BOWEN:

Q. During the progress of these interviews was there cer-

tain correspondence between yourself and Mr. Walter Wood with reference to the matter in controversy?

A. Yes, sir.

Q. During that time did you receive that letter from him? (Showing witness letter.)

A. Yes, sir.

Q. At that time who was associated with you in these interviews with Mr. Wood?

A. Mr. G. W. Bowen.

Q. Did you receive that letter?

A. Yes, sir.

Q. State about when it was you received it?

A. Well, it was between the 10th and 15th of August, 1889; the letter is without date.

Q. 1888, you mean?

A. 1888.

(Mr. Dale admits the letter referred to to be in the handwriting of Mr. Walter Wood.

Letter offered in evidence by Mr. Bowen and marked "Exhibit B, 8/15/90."

Counsel for plaintiff requests defendant to produce a letter bearing date August 14th, 1888, directed to R. D. Wood & Co., signed by the Holly Manufacturing Company, G. W. Bowen, attorney, C. G. Hildreth, secretary.)

Q. Did you write a letter to Messrs. R. D. Wood & Co.?

A. Yes, sir.

Q. Is that a copy of it?

A. Yes, sir.

(Mr. Bowen offers copy in evidence, subject to correction by original, and same marked "Exhibit C, 8/15/90.")

Q. Did you receive an answer to that letter?

A. Yes, sir.

Q. When, on the day it was written or about that time?

A. It was on the following day.

Q. Is that the answer you have in your hand?

A. Yes, sir.

(Mr. Dale admits the signature to be that of Mr. Walter Wood.

Mr. Bowen offers letter in evidence, marked "Exhibit D, 8/15/90.")

Q. Did you answer that letter?

A. Yes, sir.

Q. On the day of its date?

A. Yes, sir.

(Counsel for plaintiff requests defendant to produce a letter dated August 15th, 1888, addressed to Messrs. R. D. Wood & Co. and signed by the Holly Manufacturing Company, C. G. Hildreth, secretary, and G. W. Bowen, attorney, or either one.)

Q. Is that a copy, with the exception of the signatures?

A. Yes, sir.

(Copy offered in evidence and marked "Exhibit E, 8/15/90.")

Q. Did you receive from Messrs. R. D. Wood & Co. an answer to that?

A. Yes, sir.

Q. When?

A. On the same day, I think.

Q. Do you hold the answer in your hand?

A. Yes, sir.

(Mr. Dale admits this letter to be the signature of R. D. Wood & Co. by Walter Wood.

Mr. Bowen offers letter in evidence, marked "Exhibit F, 8/15/90.")

Q. Did you answer that letter?

A. Yes, sir.

Q. When?

A. On the same day.

(Counsel for plaintiff requests defendant to produce letter dated August 15th, 1888, addressed to Messrs. R. D. Wood & Co. and signed by G. W. Bowen, attorney, and C. G. Hildreth, secretary, Holly Manufacturing Company.)

Q. Is that a copy you have in your hand?

A. Yes, sir.

(Mr. Bowen offers copy in evidence, marked "Exhibit G, 8/15/90.")

Q. Did you receive an answer to that from R. D. Wood & Co.?

A. Yes, sir.

Q. When did you receive that?

A. On the same day, August 15th, 1888.

Q. Do you hold the answer in your hand?

A. Yes, sir.

(Mr. Dale admits the signature.

Mr. Bowen offers letter in evidence, marked "Exhibit H, 8/15/90.")

Q. Did you answer that letter?

A. Yes sir.

(Counsel for plaintiff requests the production of a letter dated third letter, August 15th, 1888, addressed to R. D. Wood & Co., and signed G. W. Bowen, attorney, C. G. Hildreth, secretary, Holly Manufacturing Company.)

Q. Do you hold a copy of the answer in your hand?

A. Yes, sir.

(Mr. Bowen offers copy in evidence, marked "Exhibit I, 8/15/90.")

Q. Did you receive another letter in answer to that?

A. Yes, sir.

Q. Is that the answer that you have in your hand?

A. Yes, sir.

(Signature admitted by Mr. Dale.

Mr. Bowen offers letter in evidence, marked "Exhibit J, 8/15/90.")

Q. Did you answer the last letter?

A. Yes, sir.

(Counsel for the plaintiff requests the production of a letter dated Philadelphia, August, 1888, addressed to Messrs. R. D. Wood & Co., and signed G. W. Bowen, attorney, and C. G. Hildreth, secretary.)

Q. Is that a copy of the letter that you sent? (Showing witness copy.)

A. Yes, sir.

Q. And that last was sent when?

A. On the day of its date, 18th of August, 1888.

(Mr. Bowen offers copy in evidence, marked "Exhibit K, 8/15/90.")

Q. Did you receive another?

A. Yes, sir.

Q. Is that it? (Handing witness letter.)

A. Yes, sir.

Q. When did you receive that?

A. On the 18th of August, 1888.

(Mr. Dale admits the signature.

Mr. Bowen offers letter in evidence, marked "Exhibit L, 8/15/90.")

Q. Did you answer the letter of August 18th?

A. Yes, sir.

(Counsel for the plaintiff requests the production of a letter dated Philadelphia, August 18th, 1888, addressed to Messrs. R. D. Wood & Co., signed G. W. Bowen and C. G. Hildreth.)

Q. Is that a copy of the letter?

A. Yes, sir.

(Mr. Bowen offers copy in evidence, marked "Exhibit M, 8/16/90.")

Q. Did you receive from R. D. Wood & Co. an answer to that last?

A. Yes, sir.

Q. When?

A. On the same day.

(Signature admitted by Mr. Dale.

Mr. Bowen offers letter in evidence, marked "Exhibit N, 8/15/90.")

Q. Did you answer that?

A. Yes, sir.

Q. On the same day?

A. Yes, sir.

(Counsel for plaintiff requests the production of a third letter bearing date August 18th, 1888, addressed R. D. Wood & Co., and signed by C. G. Hildreth, secretary.)

Q. Is that a copy of it?

A. Yes, sir.

(Copy offered in evidence and marked "Exhibit O, 8/16/90.")

Q. Did you receive a further communication after that from R. D. Wood & Co.?

A. Yes, sir.

Q. When?

A. On or about the 22d of August, 1888.

Q. Is that the communication?

A. Yes, sir.

(Mr. Dale admits the signature.

Mr. Bowen offers letter in evidence, marked "Exhibit P, 8/15/90.")

Q. Did you answer that?

A. Yes, sir.

(Counsel for the plaintiff requests the production of a letter dated August 22d, 1888, addressed to R. D. Wood & Co., signed by G. W. Bowen, attorney, and C. G. Hildreth, secretary, Holly Manufacturing Company.)

Q. Is that a copy of it? (Showing witness copy.)

A. Yes, sir.

(Copy offered in evidence and marked "Exhibit Q, 8/15/90.")

Q. Did you send another letter to R. D. Wood & Co. on that same day, August 22d?

A. Yes, sir.

(Counsel for plaintiff requests the production of a second letter bearing date August 22d, 1888, addressed R. D. Wood & Co., and signed G. W. Bowen, attorney, and C. G. Hildreth, secretary.)

Q. Is that a copy of the letter?

A. Yes, sir.

(Copy offered in evidence and marked "Exhibit R, 8/15/90."

Mr. Dale objects to the offer of this correspondence upon the ground that it is irrelevant to any of the issues in this cause.)

Q. Did the Holly Manufacturing Company receive a letter from R. D. Wood & Co.?

A. Yes, sir.

(Signature admitted by Mr. Dale, and letter objected to on the ground that it is irrelevant.

Mr. Bowen offers letter in evidence, marked "Exhibit S, 8/15/90.")

Q. Is that your signature, "C. G. Hildreth, Secretary"? (Showing witness paper.)

A. Yes, sir.

Q. That was written by you, was it?

A. Yes, sir.

Q. Whose signature is the other; whose handwriting is that?

A. Samuel R. Bullock.

Q. That is his handwriting?

A. Yes.

Q. Did you see him sign it?

A. Yes, sir.

(Mr. Bowen offers paper in evidence, marked "Exhibit T, 8/15/90.")

Q. The telegram from Mr. Bullock to the Holly Manufacturing Company, with reference to the payment of a note which was asked to be applied as the last payment to the first Mobile engine, referred to on pages 110 and 111 of the printed testimony, that telegram you remember, do you?

A. Yes, sir.

Q. And when did you see it last?

A. On the day that I gave my testimony in this case before; here in this office.

Q. Here in this office in Philadelphia?

A. Yes, sir; after my testimony had concluded at that time.

Q. Since then have you made a thorough search and examination of the office of the company for that telegram?

A. Yes, sir.

Q. Did you find it?

A. No, sir.

Q. And so far as you know, or have any belief on the subject, what has become of it?

A. It is lost.

Q. Did you suppose it was here?

A. I supposed it was here; I left it here.

Q. And you have no knowledge, information, or belief as to its whereabouts?

A. None whatever.

11.

Cross-examined.

By MR. DALE:

Q. Where did you say you saw that telegram for the last time?

A. Here in this office of Mr. Ashhurst's.

Q. When?

A. On the day that I gave my testimony in this case, and after my testimony had been concluded.

Q. When had you seen it before that?

A. Sometime before that, as I delivered it with other papers to Mr. Bowen, the attorney of the company.

Q. In whose personal possession was that telegram when you saw it here?

A. Mr. Ashhurst's.

Q. Who gave it to Mr. Ashhurst?

A. Mr. Bowen.

Q. When?

A. I do not know, but sometime before.

Q. Did you then know he had given it to Mr. Ashhurst?

A. Not positively.

Q. Was that your then impression that he had given it to Mr. Ashhurst?

A. I had no impression upon the subject at all.

Q. When you were asked upon the day of that examination to produce the telegram, why did you not produce it?

A. Because it was not in my possession.

Q. Did you then know where it was?

A. Not positively.

Q. Where did you then understand it to be?

A. Either in the office of Mr. Bowen or Mr. Ashhurst. Whether it was here in this office, or in Mr. Bowen's office at Lockport, I do not know.

Q. Why did you not then so state?

A. It did not occur to me.

Q. What did then occur to you to say?

A. There was no question asked me upon that subject. I simply stated the contents of the telegram and was required to produce it at some future time, as I recollect.

Q. Do you recollect being asked the question upon that day, "Have you still that telegraphic correspondence or copies of it"?

A. Some such question; yes, sir.

Q. What answer did you make to it?

A. I presume I answered it that I did or that it was in the possession of the company.

Q. And how did you come to discover that it was here?

A. After the hearing had been adjourned for the day, the attorneys, Mr. Ashhurst and Mr. Bowen, were looking over a lot of papers, and that was found among them.

Q. Did it not occur to you that special care should be taken to preserve that paper, the production of which had been called for?

A. Yes, sir.

Q. What steps did you take towards the preservation of it?

A. I left it here in the office of Mr. Ashhurst.

Q. Have you since assisted to search for it here?

A. Not here.

Q. Do you know whether any search has been made for it here?

A. No, sir.

Q. Were other papers, being part of correspondence, left here?

A. Yes, sir.

Q. Are they still here?

A. I do not know.

Q. You do not know?

A. I do not know.

Q. Have they been returned to you?

A. No, sir.

Q. Why, then, has it not occurred to you to make search for the correspondence which was left here?

A. My attention has not been called to it.

Q. When did you make a search at home for this?

A. About two weeks ago.

Q. Then your attention was called to it?

A. My attention was called to the fact that the paper was

missing, and, at the request of Mr. Bowen, I made further search for it at the office of the company at Lockport.

Q. Why have you not made search for it since you have been here?

A. I have not had the opportunity, and I should not know where to look for it in this office, as I am not familiar with the papers.

Q. You could make search among the papers of this case, which doubtless would be presented to you by Mr. Evans, if you would undertake the search.

A. Yes, sir.

MR. BOWEN states:—In relation to that telegram, at sometime since the commencement of this suit, that telegram was placed in my hands by the Holly Company, and I had it among my papers here at Mr. Ashhurst's office at sometime, the exact time I am unable to state, and we both of us examined it. Time passed along and I supposed that it was either among my papers or Mr. Ashhurst's papers, and when my attention was finally called to it by Mr. Ashhurst, as one of the papers that Mr. Dale had called for the production of, I made a thorough search among my papers and was unable to find it. I immediately communicated that fact to Mr. Ashhurst, and requested him to make a thorough search among his papers, as I had no doubt he would find it among his papers as I have not been able to find it among mine. He wrote me that he was unable to find it among his papers, and when I was here in Philadelphia, two or three weeks ago, with Mr. Ashhurst, I examined his papers quite thoroughly to see if we could find it, and we were unable to find it, very much to my surprise. We supposed that the other side would have a copy of that telegram upon the letter-book of Mr. Bullock, and we now understand that the letter-book of Mr. Bullock, in relation to the Mobile works, is in the possession of Mr. R. D. Wood, or Mr. R. D. Wood and his associates, and we understand that in the letter-books that Mr. Wood has the control of there is a copy of that telegram. At all events, we are informed by Mr. Bullock that he supposes there is in his letter-book, which was taken possession

of by Mr. Wood, or by Mr. Wood and his associates, a copy of that telegram, which we are entirely willing they should produce.

(Mr. Dale, by the instruction of Mr. Walter Wood, states that Mr. Bowen has been misinformed as to the possession by R. D. Wood & Co. or any person associated with them, of the letter-books referred to.)

MR. BOWEN states:—After I had failed to find this telegram, I saw Mr. Bullock and asked him if he had a letter-book which contained a copy of that telegram. He stated that he would make an examination and see. I afterwards saw him and he stated that he had made an examination and had then been unable to find the letter-book which contained that copy and that he supposed that letter-book was in the possession or under the control of Mr. Wood. I can state further, if they call for it, that we have a copy (of course we have not the original) of the answer to that telegram. I have a copy taken from our letter-books, if you desire them.

MR. EVANS:—I also made a thorough examination of all the papers connected with this suit, in this office, and was unable to find the telegram in question.

(Mr. Dale states that on behalf of his client he will accept the copy produced by Mr. Bowen in lieu of the original.

Telegram offered in evidence by Mr. Dale and marked "Exhibit 1, 8/15/90.")

EX. A. 8/15/90.

CHESTER, Penna., Aug. 14th, 1890.

Statement of Expenses—supplys and time for pumping services supplying the City of Chester with water from Aug. 1st, 1888.

INCIDENTAL EXPENSES.

1888.			
Nov.	17.	Car-fare Phila. to see attorneys	55
Dec.	14.	" " "	55
1889.			
Jan.	8.	" " "	65
"	27.	" " " & dinner .	1 25

Jan.	28.	Car-fare Phila. to see attorneys & dinner for two	2 50	
"	29.	Car-fare Phila. to see attorneys & dinner for one	1 25	
June	30.	Pd. express on steam throttle	2 25	
"	"	Repairs Lubricator	40	
July	16.	Express on Pump Valves	30	
Oct.	7.	Car fare Phila. & dinner	1 15	
"	19.	Pd. carting heater, freight on same	1 24	
"	"	Cutting pipe for heater	50	
Nov.	2.	Car-fare Phila. & Bill Powel & Inadock water glass	1 65	
Dec.	28.	Bill Turner fittings	34	
Feb.	15.	" Hunter and Dickson oil cup	1 92	
				$16 50

HOTEL EXPENSES.

1888.				
Aug.	25.	Four weeks	$20 00	
Oct.	6.	Six "	30 00	
Nov.	10.	Five "	25 00	
Dec.	15.	" "	25 00	
'89.				
Jan.	19.	" "	25 00	
Mar.	2.	Six "	30 00	
April	13.	" "	30 00	
"	27.	Two "	10 00	
June	1.	Five "	25 00	
"	29.	Four "	20 00	
July	27.	" "	20 00	
Aug.	31.	Five "	25 00	
Sept.	14.	Two "	12 00	
"	28.	" "	12 00	
Oct.	12.	" "	12 00	
Nov.	9.	Three "	18 00	
"	23.	Two "	12 00	
Dec.	14.	Three "	18 00	
"	28.	Two "	12 00	
'90.				
Jan.	18.	Three "	18 00	
Feb.	8.	" "	18 00	
March	8.	Four "	24 00	
"	29.	Three "	18 00	
April	19.	Three "	18 00	
May	10.	" "	18 00	
June	14.	Five "	30 00	
July	19.	" "	30 00	
Aug.	9.	Three "	18 00	
				573 00

TIME NIGHT-WATCHMAN.

Month ending				
1888.				
Sept. 29.	Wm. Green Haegle nights during month at $1.25 per night	9	$11 25	
Oct. 27.	Wm. Green Haegle nights during month at $1.25 per night	28	35 00	
Nov. 24.	Wm. Green Haegle nights durlng month at $1.25 per night	28	35 00	
Dec. 15.	Wm. Green Haegle nights during month at $1.25 per night	21	26 25	
				107 50
" 29.	D. Beardsly nights during month at $10 per week	14	20 00	
1889.				
Jan. 12.	D. Beardsly nights during month at $10 per week	14	20 00	
				23 57
	Received from Chester Water Co. as per Agreement of Dec. 16th.		16 43	
Jan. 26.	D. Beardsly nights during month at $8.00 per week	14	16 00	
Feb. 23.	D. Beardsly nights during month at $8.00 per week	28	32 00	
March 30.	D. Beardsly nights during month at $8.00 per week	35½	40 57	
April 27.	D. Beardsly nights during month at $8.00 per week	28	32 00	
May 25.	D. Beardsly nights during month at $8.00 per week	28	32 00	
June 15.	D. Beardsly nights during month at $8.00 per week	21¼	24 29	
				176 86
June 29.	John Farley nights during month at $8.75 per week	14	17 50	
July 27.	John Farley nights during month at $8.75 per week	28	35 00	
Aug. 31.	John Farley nights during month at $8.75 per week	35	43 75	
Sept. 28.	John Farley nights during month at $8.75 per week	28	35 00	
Oct. 26.	John Farley nights during month at $8.75 per week	28	35 00	
Nov. 30.	John Farley nights during month at $8.75 per week	35	43 75	
Dec. 28.	John Farley nights during month at $8.75 per week	28	35 00	

1890.					
Jan.	25.	John Farley nights during month at $8.75 per week	28	35 00	
Feb.	22.	John Farley nights during month at $8.75 per week	28	35 00	
March	29.	John Farley nights during month at $8.75 per week	35	43 75	
April	26.	John Farley nights during month at $8,75 per week	28	35 00	
May	31.	John Farley nights during month at $8.75 per week	35	43 75	
June	28.	John Farley nights during month at $8.75 per week	28½	35 63	
July	5.	John Farley nights during month at $8.75 per week	8	10 00	
July	26.	John Farley nights during month at $12.00 per week	21	36 00	
					519 13

TIME FOR SERVICES AS ENGINEER.

1888.			
Aug.	Number of days during month	27	
Sept.	" "	25	
Oct.	" "	28½	
Nov.	" "	26	
Dec.	" "	26	
'89.			
Jan.	" "	27½	
Feb.	" "	26½	
March.	" "	29½	
April.	" "	26½	
May.	" "	29	
June.	" "	33	
July.	" "	36	
Aug.	" "	36½	
Sept.	" "	34½	
Oct.	" "	36	
Nov.	" "	33½	
Dec.	" "	37	
'90.			
Jan.	" "	34½	
Feb.	" "	28½	
March.	" "	31	
April.	" "	32	
May.	" "	36	
June.	" "	38½	
July.	" "	31	
	Total number days @ $2.75 per day	749½	2,061 12
			$3,477 68

18

Ex. B. 8/15/90.

Cast Iron Pipe,	Flange Pipe,	Large Loam Castings,
Fire Hydrants,	Gas Holders and	Turbine Wheels and
Eddy Valves,	Machinery,	Pumps.
Lamp Posts,	Sugar House Work,	

OFFICE OF CAMDEN IRON WORKS.

R. D. WOOD & CO., *Managers.*

Foundries { Millville, N. J. / Florence, " / Camden, "

CAMDEN, N. J. mo. 188 .

C. G. Hildreth G. Bowen

GENTLEMEN:—Yours of yesterday at hand and it proceeds upon an assumption for which you have no basis & of which I trust I disabused your minds this morning. Last Friday although I then contended your position was that simply of a co-creditor I endeavored to meet your desire for preference—by the offer you then received. Your letter to-day seems to desire an absolute guarantee. This is entirely a different matter. It may be a long while before the bonds are all sold, and when you look for certainties as one must in financial arrangements like what you suggest it may be necessary for us to accept finally from Mr. Bullock a plain agreement to pay backed only by his good health & desire to clear himself. This burden when shared is light but when that portion belonging to another is taken up to be carried & the first go Scot free it is entirely another matter.

What is such a matter worth to you & how long a time say one two three four & five years would you suggest as the time for payment.

Frankly I am writing hastily, without any definite form of offer in my mind and with the feeling that it will be more money for your company to let Bullock alone & do the best he can for you & ourselves. Nevertheless if you prefer the other & you wish to make it our interest to do so let us hear from you.

Yours,

R. D. WOOD & CO.

19

Ex. C. 8/15/90.

Aug. 14, 1888.

R. D. Wood & Co.

Dear Sirs:—On an accounting Aug. 11th instant Saml. R. Bullock & Co. owe the Holly Mfg. Co. for pumps for Mobile $25,000
For Chester 41,667

Total $66,667

under the contracts therefor respectively.

With reference thereto we do not feel inclined to accept the proposition embodied in yr. pencil memd. handed Messrs. Bowen & Hildreth in Mr. Bullocks office last Friday but if you will submit a proposition in substance as follows, that R. D. Wood & Co. will endorse the paper of Saml. R. Bullock & Co. as follows:

1 promissory note at 60 days $22,222
1 " " " 90 " 22,223
1 " " " 120 " 22,222

with interest payable at bank in Phila. the Holly Mfg. Co. will accept the same either in purchase by you of their interest in these pumps and their claims therefor, or in payment of the demand against Bullock & Co. under the above mentioned contract therefor, and will either release & discharge all claims on account of the pumps, or place you in the same position they now occupy in relation thereto, as nearly as may be, as you may elect, and in consideration thereof the Holly M. Co. will rebate $2500. as of this date from the aggregate of said notes, either by deducting it from the amount of the notes or refunding it to you proportionably when the notes are paid.

We make the foregoing suggestion based on the condition that Mr. Bullock will approve of the arrangement.

Awaiting your early reply at the Continental Hotel we are

Respectfully,

(Signed) G. W. BOWEN, *Atty.*
C. E. HILDRETH, *Secy.*
Holly Mfg. Co. Lockport, N. Y.

Ex. D. 8/15/90.

Cast Iron Pipe,	Flange Pipe,	Large Loam Castings,
Fire Hydrants,	Gas Holders and	Turbine Wheels and
Eddy Valves,	Machinery,	Pumps.
Lamp Posts,	Sugar House Work,	

OFFICE OF R. D. WOOD & CO.

Foundries { Millville, N. J. / Florence, " / Camden, "

400 Chestnut Street.

PHILADELPHIA, August 15th, 1888.

C. G. Hildreth & G. W. Bowen, Holly Mfg. Co. Continental Hotel, Phila.

GENTLEMEN:—We have yours of August 14th duly at hand, suggesting that we make a different proposition than that which was agreed upon between ourselves last Friday. We regret that we do not see our way clear in doing so. It was our understanding when we parted last Friday that the matter was in definite shape, subject simply to verbal arrangement and corrections.

As your letter to us comes enclosed in one from Mr. Bullock, we have sent him a copy of this letter.

Yours very truly,

R. D. WOOD & CO.

Dictated W. W.

Ex. E. 8/15/90.

THE CONTINENTAL J. E. KINGSLEY & CO., PHILA.

AUG. 15, 1888.

Messrs R. D. Wood & Co.

DEAR SIRS:—Your favor of this date is received & noted. In reply we beg to correct the impression conveyed by your note, as there was no proposition agreed upon between ourselves last Friday & there was no understanding when we parted that the matter was in definite shape subject simply to verbal arrangement & correction. When we parted on Friday you had submitted in pencil memorandum, a proposition for our consideration which we had in no manner agreed to,

and the only understanding was that we might accept it or submit a counter proposition which latter we have done.

This was a matter in which B., yourselves & the H. M. Co. seemed to be mutually interested and in relation to which it then appeared that there was a contract existing between Hopper & Co., Bullock & yourselves the contents of which you declined to communicate. We then had reason to suppose and the result of that interview confirmed our impressions that by that contract you were under obligations to see the Mobile & Chester Water Works completed. If we are correct in that impression there is we think a resulting liability on your part to the Holly C. for the amount unpaid upon the engine contracts, and in addition to that we have not parted with the machinery, & do not intend to until the debts therefor are paid.

We therefore considered that an endorsement by you of Bullocks notes would not enlarge your liability and that it would be placing you in a position of relief as between yourself & Hopper and that when we offered to rebate $2500, it was a liberal offer on our part and it was done simply to relieve ourselves from the annoyance of legal proceedings & for the ultimate benefit of Mr. Bullock.

We share in the regret expressed in your letter and believing that we have made concessions largely in excess of any on your part.

Ex. F. 8/15/90.

OFFICE OF R. D. WOOD & CO.

400 Chestnut Street.
PHILADELPHIA, 8 MO. 15 1888.

Holly Mfg. Co.

GENTLEMEN:—Your note of this date is at hand in reply to ours of this morning. In that letter I did not intend to state any more than my impression of our talk on Friday night. If it did not accord with yours I cannot of course impress it upon you, especially as the whole tenor of the conversation was so informal. I regret I conveyed that I

thought the result was binding as such was not our intention. The thought in my mind was rather to say that my feeling was after a conclusion whether quasi or otherwise had been reached it is not wise to drift from it as it entails generally a complete rediscussion.

Yours,

R. D. WOOD & CO.

Ex. G. 8/15/90.

THE CONTINENTAL J. E. KINGSLEY & CO., PHILA.

AUG. 15 1888.

Mess. R. D. Wood & Co.

DR. SIRS: Referring to your second note of to-day & after a conversation with Mr. Bullock, we wish to say that we have no desire to enter into a verbal rediscussion of the subject.

The concluding paragraph of your pencil memoranda of Friday is as follows:

"Holly to accept R. D. W. & Co. guarantee, and to release liens on his machinery & accept R. D. W. & Co. instead."

Our note of yesterday was as we conceived, the simplest, shortest, & most effectual method of reducing that guarantee into practical shape, & so that no misunderstanding could possibly arise between the parties in interest.

Have you any other method of reducing it to practical form that will be more satisfactory to you. If so we will be glad to receive & consider it without delay.

(Signed) BOWEN & HILDRETH,

Officially.

Ex. H. 8/15/90.

OFFICE OF R. D. WOOD & CO.

400 Chestnut Street.

PHILADELPHIA, August 15th, 1888.

Holly Mfg. Co.,

GENTLEMEN:—The point that I endeavored to embrace in the memorandum that was passed between us on Friday night,

was this, viz: to give our guarantee that your bill for pumps would be paid before we received anything for our materials. The reason for putting it in this way was that I have no anticipation that either you or ourselves can practically enforce any liens that will bring money to us before the banker has satisfied himself out of the securities that are now in his possession. The offer that I made was to let your claim be prior to ours, and I guaranteed it should be so. This I did, because of the point that you made of a right to prior payment, which, without discussing or conceding the right, I waived for the sake of reaching a conclusion. I am perfectly willing to have that embodied in the agreement, and to stipulate that we, as well as yourselves, will not interpose any obstacle in the way of liens, to Mr. Bullock's selling the bonds, and that from the proceeds of the bonds your claim for material to have precedence over ours.

An agreement of this kind, signed by R. D. Wood & Co., is valid, and enables you to hold them to this application of the funds. I do not understand that any one of the three parties (Hopper, Holly or Wood) is desirous or intends to pay either of the others off & that we each must take our chance of what results from the sale of the bonds. We have offered for the small consideration which I named to you to let your claim come before ours. We cannot do more.

Yours,

R. D. WOOD & CO.

Ex. I. 8/15/90.

(3d letter. Copy.)

PHILA. Aug. 15/88.

Mess. R. D. Wood & Co.

GENTLEMEN:—Your third letter of today explanatory of your memorandum proposition of Friday last, would seem to imply, that we release such priority and claim as we now

have & trust entirely to the proceeds of the bonds. We beg leave to call your attention to the fact that it might also operate to your benefit by releasing you from an obligation which you have assumed to see the Mobile & Chester Water Works completed. We shall not voluntarily do either one of those two things unless we have the absolute guarantee or agreement to pay our debt by R. D. Wood & Co. or some other equally responsible person. We also beg leave to say that the obligation which you have assumed to see these works completed inures to our benefit & can be enforced by us in proceedings where all the parties are brought before the court. While we desire such amicable arrangement of the matter as will give us our pay, sure, & which will not increase the extent of your liability & which we have labored faithfully for a good many days to bring about, we respectfully say that we shall feel it our duty in the mutual protection of our own interests to take such proceedings unless some such amicable arrangement is consumated tomorrow forenoon.

G. W. B., *attorney.*
C. G. H. *secy.*
Holly Mfg. Co.

Ex. J. 8/15/90.

THE CONTINENTAL J. E. KINGSLEY & CO. PHILA.

8/16 1888.

C. G. Hildreth

DEAR SIR:—If I thought you were about at this hour 7.30 I would send my card up as I would like to see you by yourself before Bullock gets over this A. M. & shall be pleased if can excuse yourself from Bowen & call at the office.

Yours truly,

WALTER WOOD.

Ex. K. 8/15/90.

(Copy.)

PHILA., PA. Aug. 18, 1888.

R. D. Wood & Co.

GENTLEMEN:—Referring to yours of 16th & after a long interview with Mr. Bullock the H. M. Co. will accept in payment of its claim against S. R. B. & Co. for the Mobile & Chester pumps the notes of B. & Co. endorsed by R. D. Wood & Co. at 3, 6 & 9 months on interest in equal amounts and rebate to you $2500 proportionably as the notes are paid, or in lieu thereof will accept the guarantee of R. D. Wood & Co. that the said debt shall be paid in full out of the proceeds of the bonds with interest within one year from this date, the guarantee of course being sufficiently broad to insure that the fund shall be sufficient to pay the debt in full. In either case the H. M. Co. will place you in its position as near as may be or release & discharge all claims upon the pumps as you may desire.

The latter proposition to embrace a provision that the debt shall be paid as the money is realized from the bonds to the extent that the fund will provide the means therefore.

(Signed) by G. W. B. *atty.*
C. G. H. *secy.*

Ex. L. 8/15/90.

OFFICE OF R. D. WOOD & CO.

400 Chestnut Street,
PHILADELPHIA, August 18th, 1888.

Holly Mfg. Co.,

GENTLEMEN:—Mr. Bullock hands me yours of the 18th. What you ask is a guarantee. This we do not wish to give, any more than you desired to buy our claim, and we could not think of doing so unless we were paid in a way that made us satisfied in assuming it, nor are we satisfied with ourselves in making the following suggestion, viz.: to guarantee the

payment of your account for a consideration of $7500 in cash, said account to be paid in notes for equal amounts, one, two, and three years, carrying interest at 4%. Should Mr. Bullock be able to take the notes up before their maturity, we would have no objection to his doing it.

We are, yours,

R. D. WOOD & CO.

Dictated W. W.

Ex. M. 8/15/90.

(Second letter.)

PHILA. Aug. 18/88.

R. D. Wood & Co.,

GENTLEMEN:—Referring to yours of this date, we respectfully beg to decline the offer you make, and submit the following. The Holly Mfg. Co. will rebate to you five per cent. of the amount of Bullock & Cos. debt to it, if you will endorse Bullock & Co. notes at 3, 6 & 9 months, with interest at 6 per cent.

(Signed by) BOWEN & HILDRETH.

Ex. N. 8/15/90.

OFFICE OF R. D. WOOD & CO.

(2d note.)

400 Chestnut Street,
PHILADELPHIA, 8 mo. 18 1888.

Holly Mfg. Co.

GENTLEMEN:—Yours at hand. We are ready to treat on the 5% basis but this embraces no guarantee on our %. I have felt very clear of our position in this matter & the delay in replying to this which I regret has been caused by a re-examination of it. Shall we take up the old line of negotiation on the lower basis of compensation.

Yours,

R. D. WOOD & CO.

Ex. O. 8/15/90.

The Continental J. E. Kingsley & Co. Phila.

(Copy. 3d reply to R. D. W. & Co. Second note.)

Aug. 18, 1888.

R. D. Wood & Co.

Dr. Sirs:—Your second note of today is recd. We have already rejected the old line of negotiation to which you refer, and do not care to take it up again because it embraces on our part the release of the security which we hold as well upon the pumping machinery as of your liability to see the works completed. We still adhere to our second proposition of today. If you care to say anything further in relation to the matter we shall be pleased to hear from you promptly.

Mr. Bowen goes with Mr. Bullock now to see Mr. Dale.

(Signed) Yours truly,

C. G. HILDRETH, *Secy.*

Ex. P. 8/15/90.

Office of R. D. Wood & Co.

400 Chestnut Street.
Philadelphia, 8 mo. 22 1888.

Holly Mfg. Co.

Gentlemen:—R. D. Wood & Co. will endorse the notes of S. R. Bullock & Co. for $59,167, maturing in equal amounts in 6, 12, 18 & 24 months & bearing 4% interest upon the Holly Mfg. Co. transferring to R. D. Wood & Co. all the rights claims &c. that claim to have against S. R. B., Chester W. Co. & Mobile Water Co.

Let us have an acceptance or refusal of this promptly.

R. D. WOOD & CO.

Ex. Q. 8/15/90.

(Copy.)

THE CONTINENTAL J. E. KINGSLEY & CO. PHILA.

AUGUST 22, 1888.

R. D. Wood & Co.,

DEAR SIRS:—Your proposition of this date offering to endorse the notes of S. R. Bullock & Co. for $59,167 maturing in equal amounts in 6–12–18 & 24 months & bearing 4% interest &c. is respectfully declined.

Yours, &c.

(Signed) G. W. BOWEN,
Atty.
C. G. HILDRETH,
Atty.
H. M. Co.

Ex. R. 8/15/90.

(Copy.)

THE CONTINENTAL J. E. KINGSLEY & CO. PHILA.

AUGUST 22d 1888

R. D. Wood & Co.

DR. SIRS: We have just been in conference with Mr. Bullock from which it appears that he has had an interview with Mr. Walter Wood of your firm & your atty. Mr. Dale. In view of his request for a definite statement from us to you after such interview we feel inclined to make the definite proposition herein contained, as an amicable arrangement of our claim for the Mobile & Chester pumps, and we do it

after fully considering the rights, obligations & equities of all the parties as between themselves, growing out of the various steps taken and obligations incurred, by any & all the parties looking to the completion of the several water works, to wit: The Holly Mfg. Co. will accept the notes of S. R. B. & Co. endorsed by R. D. Wood & Co. at 4, 8 and 12 months from the 11th day of August instant on interest at 6 per centum per annum in equal amounts, and rebate to you $2500.00 proportionably as the notes are paid.

Or in lieu thereof the Holly M. Co. will accept the guarantee of R. D. W. & Co. that the said debt shall be paid in full out of the proceeds of the bonds with interest at six per centum per annum, within one year from the 11th day of August inst. this guarantee of course being sufficiently broad to insure that the fund shall be sufficient to pay the debt in full. In either case the Holly M. Co. will place you in its position as near as may be, or release & discharge all claims upon the pumps as you may desire.

The latter proposition is intended to provide that in case the money is realized from the sale of the bonds before the expiration of the year the debt shall be paid as the same is so realized, to the extent that the fund will provide the means therefor. The latter proposition to be based upon the consideration of the relation of all the parties each to the other & to all the others & of one hundred dollars to be paid to R. D. W. & Co. by the Holly Mfg. Co. when the debt is paid.

The amt of the debt is $66,667 as of Aug. 11/88.

G. W. B. *atty.*
C. G. H. *scy.*

(NOTE.) Referring to our last letter of 18th to R. D. W. & Co. & the note made thereon, this letr. was written & sent to Mr. Wood after Mr. Bowen had had an interview with Mr. Dale, & after Bullock had had a subsequent interview with both Dale & Wood.

30

Ex. S. 8/15/90.

Received Mar. 21 1890.

The New Chester Water Company, Chester, Pa.
The Sharon Water Works Company, Sharon, Pa.
The Bienville Water Supply Company, Mobile, Ala.
The Greencastle Water Works Company, Greencastle, Ind.
The Vincennes Water Supply Company, Vincennes, Ind.
The Denison City Water Company, Denison City, Tex.

OFFICE OF THE EXECUTIVE COMMITTEE,

400 Chestnut Street,
PHILADELPHIA, March 13th, 1890.

T. T. Flagler, Holly Manufacturing Co., Lockport, N. Y.

DEAR SIR:—In going over the engine records of the different pumps under our charge, we notice that your pump at Chester is not giving so much duty as it should. It is natural for both of us to take an interest in getting as good a record as possible out of the machinery, and hence spoke to the man in charge of your pump at Chester, suggesting that he make certain changes so as to better his results. He desires to hear from the Company whether he shall follow such suggestions as these from ourselves. Will you kindly ask him to do so?

The pumps at Mobile are giving good duty and nearly 30 per cent more than those at Chester.

We shall hope to hear from you, and, awaiting your early reply, we are,

Yours very truly,

R. D. WOOD & CO.

Dictated W. W.
M. H.

Ex. T. 8/15/90.

It is agreed between the undersigned that there is due today to the Holly Manufacturing Company from Samuel R. Bullock & Company Twenty five thousand dollars ($25,000)

on contract of Pumping engines for Mobile, and Forty-one thousand six hundred and sixty-seven dollars ($41,667) on contract for pumping Engines for Chester.

Dated New York August 11, 1888.

THE HOLLY MANFG. CO.
C. G. HILDRETH, *Secy.*
SAML. R. BULLOCK CO.

EX. 1, FOR DEFT. 8/15/90.

(Copy.)

THE WESTERN UNION TELEGRAPH COMPANY.

MAR. 27 1888.

To S. R. Bullock 11 Wall St. New York.

Payment of note today will be applied as final payment on first Mobile engine.

HOLLY MFG. CO.

PLAINTIFF'S TESTIMONY IN REBUTTAL.

FRIDAY, October 17th, 1890, 3 P. M.

Present—Messrs. Hannis, Dale, and Ashhurst, of counsel.

In reference to the call heretofore made by Mr. Dale for telegram from Samuel R. Bullock to the Holly Manufacturing Company, dated March 27th, 1888, Mr. Ashhurst states that after the last meeting, at which the ineffectual search for this telegram had been stated, it occurred to him that he might have given it to Mr. Clark, who had charge of the case in Mobile; that he succeeded in seeing Mr. Clark on the day of the adjournment of Congress, before Mr. Clark's return to the South, and on going through the papers in Mr. Clark's possession he succeeded in finding this telegram. He therefore produces the same, in compliance with the call, stating that a copy of the answer is also indorsed upon it.

Mr. Dale reads said telegram and copy of answer in evidence, as follows:

"THE WESTERN UNION TELEGRAPH COMPANY.

"MCH 27 1888.

"Dated New York.

"*To Holly Mfg. Co.*

"Draft due to-day will be paid as final payment on first Mobile pump we having received money for that purpose only answer immediately assurance of this fact so draft can be met. I telegraph you owing to Mr. Hildredth's absence.

"SAML. R. BULLOCK."

The answer indorsed on back is as follows:—

"MARCH 27th, 1888.

"*S. R. Bullock, 11 Wall Street, New York.*

"Payment of note to-day will be applied as final payment on first Mobile engine.

"THE HOLLY MFG. CO.

"(by GASKILL.)"

MR. ASHHURST:—I offer in evidence the following papers, produced by Mr. Dale and Mr. Hopper, in answer to call: Exhibit B, of April 23d, 1890, E. Z. B.; Exhibit B, May 9th, 1890, E. Z. B.; Exhibit C, May 19th, 1890; Exhibit No. 2, May 23d, 1890, A. J. H.; Exhibit No. 3, May 23d, 1890, A. J. H.; Exhibit No. 4, May 23d, 1890, A. J. H.; and Exhibit No. 5, May 23d, 1890, A. J. H.

Said exhibits are as follows:—

Ex. B. Apr. 23/90. E. Z. B.

OFFICE OF SAML. R. BULLOCK.

Engineer and Contractor. Mortimer Building, 11 Wall Street.

NEW YORK, 188

Holly claims Bullock owes them to day $25,000 on pumps erected at Mobile & $41,667 on pumps erected at Chester less such charges as B. may have against them for expenses &c. &c. that he has incurred R. D. W. & Co. will agree for 5 % rebate on these claims to see that Holly is paid for the pumps erected at the above places out of the proceeds of the bonds of those places. Each set of pumps to follow the bonds on the works for which they are erected before R. D. W. & Co. are paid anything for the materials they have furnished B. for those works but they do not agree any further than the above nor assume the interest that may accrue from any delays.

Holly on accepting R. D. W. & Cos. *guarantee* are to release liens on his machinery & accept R. D. W. & Co. instead.

Ex. B. May 9/90. E. Z. B.

CHESTER.

1887.			Com.	Interest.	Collat.
June	10 . . .	50,000.	1,500.	1,041.67	100 bonds, 1/100.
	23 . . .	75,000.	2,250.	1,562.50	150 bonds, 101/250.
July	7 . . .	325,810.	19,300.	6,510.	300 bonds, property = 5500 &c. stock.
	8 . . .	68,500.	2,055.	1,438.50	137 bonds, 251/387.

July	12 . . .	38,700.	1,161.	812.70	10 % on 387 bonds N. C. W. Co. on which 50 % was advanced.
Augt.	5 . . .	12,000.	360.	248.	20 bonds, 401/420.
	30 . . .	12,000.	360.	250.	20 bonds, 388/400, 421/427.
Octo.	13 . . .	76,050.	. . .	1,050.	
	26 . . .	76,575.	. . .	1,575.	
Nov.	10 . . .	332,216.67	. . .	6,406.67	
	11 . . .	69,915.66	. . .	1,415.66	
	15 . . .	39,499.80	. . .	799.80	
Decem.	7 . . .	12,250.	. . .	250.	
1888.					
Jany.	3 . . .	12,248.	. . .	248.	15,080 shares.
Mch.	19 . . .	76,050.	. . .	1,557.75	
	31 . . .	76,575.	. . .	1,557.75	
Apl.	13 . . .	332,216.67	. . .	6,490.62	
	14 . . .	69,915.66	. . .	1,434.22	
	18 . . .	39,499.80	. . .	803.80	
May	2 . . .	12,250.	. . .	251.25	
June	4 . . .	12,248.	. . .	253.26	

Samuel R. Bullock & Co.

1887.			Com.	Interest.	Collat.
Octo.	27 . . .	51,871.90	. . .	1,066.90	8 bonds, 442/449, 2920 shares, and also all the collateral now held and to be held for advances made or to be made under an agreement between Wm. G. Hopper & Co., R. D. Wood & Co. and ourselves dated October 26, 1887.
Nov.	9 . . .	56,849.21	. . .	1,151.08	
	23 . . .	35,256.75	. . .	713.88	
Decem.	7 . . .	23,799.95	. . .	485.71	
	21 . . .	11,493.56	. . .	234.56	
1888.					
Jany.	5 . . .	11,901.99	. . .	240.99	
	18 . . .	12,583.80	. . .	254.80	
Febry.	1 . . .	398.82	. . .	8.06	
Apl.	2 . . .	51,871.90	. . .	1,063.72	
	13 . . .	56,849.21	. . .	1,166.16	
	26 . . .	35,256.75	. . .	723.22	

May	12 . . .	23,799.95	. . .	488.12
	25 . . .	11,493.56	. . .	235.72
June	7 . . .	11,901.99	. . .	246.10
	21 . . .	12,583.80	. . .	260.19
	7 . . .	398.82	. . .	8.12
1887.				
Augt.	1 . . .	25,000.	750.	141.67
1888.				
Jany.	10 . . .	26,037.50	. . .	1,037.50
June	9 . . .	26,037.50	. . .	527.63

Ex. C. May 19/90.

Due date.		Amount.	Due date.		Amount.
June 16/19, 1888	. . .	76,050.	Aug. 10/13	. . .	12,250.
18/21	. . .	102,100.	"	. . .	23,799.95
"	. . .	82,260.	24/27	. . .	11,493.56
July /2	. . .	76,575.	26/29	. . .	51,041.67
1/4	. . .	102,100.	Sep. 5/8	. . .	12,248.
"	. . .	58,707.50	7/10	. . .	11,901.99
"	. . .	51,871.90	10/13	. . .	26,037.50
10/13	. . .	76,550.	21/24	. . .	12,583.80
12/15	. . .	56,849.21	24/27	. . .	54,459.43
13/16	. . .	332,216.67	Octo. 4/7	. . .	398.82
14/17	. . .	69,915.66			
17/20	. . .	39,499.80			1,427,200.54
26/29	. . .	35,256.75			
28/31	. . .	51,033.33			

Ex. No. 2. May 23/90. A. J. H.

Voucher No. 2. NEW YORK, June 1st 1887

The South Chester Water Company,

To SAMUEL R. BULLOCK & Co. *Dr.*

Water Works Construction and Finance,

Mortimer Building, 11 Wall Street.

To Material furnished and Labor done in construction of the plant of The South Chester Water Company at Chester, Penna. as per contract.

4985 Tons Cast Iron Pipe	. . . . .	179,460
2 " " " specials	. . . . .	120

6 Cars of Lead	9,430
2000 lbs. Hemp Packing	130
2 12″ Valves	120
4 24″ "	400
1 Vertical Boiler	
1 No. 2 Blake Pump	
10,000 ft. 2½″ Pipe laid from Chester Creek to Reservoir	2,500
Lot	
Hauling	3,700
6 Weeks Work on Reservoir	10,854
4 " " Pipe Laying	12,171
20 Cars Cement	4,000
Bricks	1,200
	$224,085

I hereby certify that I have examined into the foregoing statement and find the same correct and that the Contractors are entitled to seventy-four (74) per cent. of the number of First Mortgage Bonds, and to seventy-four (74) per cent. of the total amount of Capital Stock of the Company as per contract.

Signed E. F. FULLER,
Chief Engineer.

Ex. No. 3. May 23/90. A. J. H.

Voucher No. 3. NEW YORK, July 1st 1887

The South Chester Water Company,

To SAMUEL R. BULLOCK & CO. *Dr.*

Water Works Construction and Finance,

Mortimer Building, 11 Wall Street.

To Material furnished and Labor done in construction of the plant of The South Chester Water Company, at Chester, Penna., as per contract.

1265 Tons Cast Iron Pipe	45,535

I hereby certify that I have examined into the foregoing statement & find the same correct and that the Contractors are entitled to sixteen per cent. of the number of First Mortgage Bonds and to sixteen per cent. of the total amount of Capital Stock of the Company as per contract.

Signed E. F. FULLER
Chief Engineer.

Ex. No. 4. May 23/90. A. J. H.

Voucher No. 2. NEW YORK, July 7th, 1889.

The New Chester Water Company,

To SAMUEL R. BULLOCK & CO. *Dr.*

Water Works Construction and Finance,

Mortimer Building, 11 Wall Street.

For the purchase of the entire plant of the South Ward Water Works Co., according to the terms of the tri-partite agreement and payment of its Bonded and floating Debt and Interest thereon, until maturity, as per agreement of this date with the Chester Natl. Bank $313,000

I have examined into the foregoing statement and find the same correct, and that the Contractors are entitled to sixty-three per cent. of the Bonds and sixty-three per cent. of the Capital Stock of the Company as per agreement.

Signed E. F. FULLER
Chief Engineer.

Ex. No. 5. May 23/90. A. J. H.

Voucher No. 4. NEW YORK, August 27th 1887

The New Chester Water Company,

To SAMUEL R. BULLOCK & CO. *Dr.*

Water Works Construction and Finance,

Mortimer Building, 11 Wall Street.

To Material furnished & Labor done in construction of the plant of The New Chester Water Company, at Chester, Pa., as per contract.

350 Tons Pipe	13,600
20 " Special	1,200
Labor & Salaries	7,000
	21,800

I hereby certify that I have examined into the foregoing statement of Material furnished and Labor done & find the same correct & that the Contractors are entitled to 4½ per cent. of the First Mortgage Bonds and to 4½% of the Capital Stock of the Company as per contract.

Signed E. F. FULLER
Chief Engineer

Adjourned.

PHILADELPHIA, October 30th, 1890.

Parties met at the office of R. L. Ashhurst, Esq., 225 South Sixth Street, at 3 P. M.

Present—R. L. Ashhurst and G. W. Bowen, Esqs., appear for plaintiff; James F. Bullitt, for R. C. Dale, appears for R. J. Wood & Co.; W. C. Hannis, Esq., appears for H. G. Hopper & Co., defendants.

CHARLES G. HILDRETH, already sworn, recalled:—

By MR. ASHHURST:

Q. At the last meeting a telegram was given in evidence referring to the payment of $8333.33 on March 27th, 1887. Please look at the letter now shown you. Can you say whom that letter was written by?

(Letter shown witness.)

A. Yes, sir; by Robert N. Cole, who was the clerk of the Holly Manufacturing Company at its New York office.

Q. Do you remember that letter at the time?

A. Yes, sir.

Q. Can you say whether or not the note referred to in that letter is the one mentioned in the telegram?

(Objected to by Mr. Hannis.)

A. Yes, sir.

Q. And also whether it is the one referred to in your former testimony, page 96?

A. Yes, sir.

Q. And page 98?

A. Yes, sir.

(Mr. Ashhurst offers the letter in evidence, marked "Exhibit 1, October 30th, 1890."

Objected to by Mr. Hannis and Mr. Bullitt as irrelevant.)

Q. Will you tell us how that note came to be given?

(Objected to by Mr. Hannis.)

A. It was given by Mr. Bullock in place of an accepted draft which I asked him to get; that is, to get an acceptance of a draft, that we might use it in the course of our business. He said he would endeavor to get the acceptance——

(Mr. Hannis objects to what Mr. Bullock said.)

(Witness resumed.) Of the parties in Philadelphia with whom he was negotiating, or from whom he was receiving money; that he was unable to get such acceptance, and substituted this note or gave this note instead of it.

Q. Go right on and state how it came to be given to Mr. Cole.

A. Mr. Bullock promised to have the paper ready by a certain date. I was obliged to go out of the city and leave the matter in the hands of my clerk, Mr. Cole, who applied to Mr. Bullock and was handed the note which Mr. Cole sent on to the Holly Company at Lockport.

(All of which is objected to by Mr. Hannis, because it does not relate to the contention in this proceeding, but to a contention now pending in Mobile.)

Q. You referred in your original examination to negotiations with Mr. Bullock in the fall of 1887 and information given you by him as to his arrangements with certain parties in Philadelphia. Will you please look at the two letters now shown you, and dated respectively October 28th and November 1st, 1887; state from whom they are and to whom?

(Letters shown witness.)

A. Both letters were written by me, addressed and mailed to the Holly Manufacturing Company at Lockport.

Q. At the time of their dates?

A. Yes, sir.

Q. Describing what had taken place between you and Mr. Bullock at that time?

(Objected to by Mr. Hannis as irrelevant and incompetent.)

A. Yes, sir.

(Mr. Ashhurst offers the two letters in evidence, marked "Exhibit 2, October 30th, 1890," and "Exhibit 3, October 30th, 1890."

Defendant objects; first, because the letters are irrelevant; second, because they are from the agent of the plaintiff to the plaintiff, and clearly not competent as evidence in this proceeding.)

Q. Do you know anything as to the receipt of these letters?

A. Yes, sir; they were received at Lockport and were taken by me from the company's letter-files at Lockport.

Q. At a former meeting you produced, in response to call, a letter-book containing the press copy of a letter of January 26th, 1888, which was marked "Exhibit G. G., November 15th, 1889," and printed on page 208 of the exhibits. Please look at the paper which is now handed you and tell me what it is.

(Paper shown witness.)

A. This is the original letter which was copied in the letter-press copy-book of the Holly Manufacturing Company at that time, January 26th, 1888.

Q. A letter written by whom?

A. Written by me.

Q. The parts which are not type-written are in whose handwriting?

A. They are in mine.

Q. That is the actual letter, then, sent by you to the Holly Manufacturing Company on the date mentioned, January 26th, 1888?

A. Yes, sir.

(Mr. Ashhurst offers the letter in evidence, marked "Exhibit 4, October 30th, 1890."

Objected to for the same reasons as the last two letters mentioned.)

Cross-examined.

By Mr. Hannis:

Q. Mr. Bullock is employed by the Holly Manufacturing Company, is he not?

A. Yes, sir.

By Mr. Ashhurst:

Q. Since what time has Mr. Bullock been in the employ of the Holly Company?

A. I do not remember the exact date, and but for only about three months last.

Q. Previous to that time he never was in the employ of the Holly Company in any way, shape, or manner, was he?

A. Never.

By MR. HANNIS:

Q. But he had been an applicant for employment for a considerable time previous, had he not?

A. No, sir.

Q. Was he taken into the employment of the company as soon as he made application?

A. Very soon after; yes, sir.

EXHIBIT 1 OF OCT. 30, 1890.

THE HOLLY MANUFACTURING CO.

Builders of the Holly System of Water Works

and manufacturers of the

GASKILL PUMPING ENGINES.

T. T. Flagler, *Prest.*
H. F. Gaskill, *Vice-Prest. & Engineer.*
H. H. Flagler, *Treasurer.*
Chicago, Ills. Office, Room 51 Home Insurance Bld., La Salle St.
C. G. Hildreth, Secretary, Office, 45 Broadway,
Cincinnati, Ohio. Office, Room 21 Glenn Building
Boston, Mass. Office, 27 Federal St.

NEW YORK, March 22nd, 1888.

Holly Co.

DEAR SIRS:—As directed by Mr. Hildreth yesterday, I called at Mr. Bullock's office today; and was given a promisory note, for $8333.33, payable without grace on Tuesday, March 27th, to the Holly Mfg. Co. by Saml. R. Bullock. Mr. Bullock says that this amount was all he could get for that date.

Yours respectfully,

ROBT. M. COLE.

EXHIBIT 2 OF OCT 30/90

THE HOLLY MANUFACTURING CO.

Builders of the Holly System of Water Works

and manufacturers of the

GASKILL PUMPING ENGINES.

T. T. Flagler, *Prest.*
H. F. Gaskill, *Vice-Prest. & Engineer.*
H. H. Flagler, *Treasurer.*
Chicago, Ills. Office,
Room 51 Home Insurance Bld, La Salle St.
C. G. Hildreth, Secretary, Office, 45 Broadway,
Cincinnati, Ohio. Office, Room 21 Glenn Building.
Boston, Mass. Office, 27 Federal St.

NEW YORK, Oct. 28th, 1887.

Holly Co.

DEAR SIRS:—As I have just wired you Bullock has completed his financial arrangements on terms satisfactory to himself. The Phila. party is to loan him money enough to complete Chester and Mobile and carry the loan for 18 months after the works are completed at 6 per cent. interest.

He says he will make first payment on Chester on receipt of invoice with bills of lading attached (they should be duplicates or originals signed by the R. R. agent and not copies) He will give us a check on Mobile soon after Nov. 1st. probably before the 5th. proximo.

I go to Chester to look at the planer and will visit the engine house.

Mr. Varona was out yesterday when I called at his office, but I left a note with the Albany papers, asking him to write me what he thinks we better do regarding a bid for the regular Board.

At this hour I have no reply from him. Will ask Bullock to sign supplemental contract for Mobile and Chester tomorrow.

Bullock has not made financial arrangements for Stevens Point yet but will give his attention to that matter very soon. He has had a struggle at Phila. & is, it seems to me entitled to great credit for perseverence & ability as a manager & financere.

Yours Respectfully

C. G. HILDRETH, *Sec'y.*
45 Broadway, New York.

Ex. 3 of Oct. 30/90

THE HOLLY MANUFACTURING CO.

Builders of the Holly System of Water Works

and manufacturers of the

GASKILL PUMPING ENGINES.

T. T. Flagler, *Prest.*
H. F. Gaskill, *Vice-Prest. & Engineer.*
H. H. Flagler, *Treasurer.*
Chicago, Ills. Office,
Room 51 Home Insurance Bld., La Salle St.
C. G. Hildreth, Secretary, Office, 45 Broadway,
Cincinnati, Ohio. Office, Room 21 Glenn Building.
Boston, Mass. Office, 27 Federal St.

NEW YORK, Nov. 1st. 1887.

Holly Co.

DEAR SIRS:—Yours of 29th. was received yesterday. Mr. Bowen completed the supplemental contracts for both Mobile and Chester, but on calling at Bullocks office I found he had gone out of town, so they could not be executed but I'll attend to it closely till it is done.

Am much pleased to know that the new shop appliances are so helpful especially in the loading of cars.

I cant say about Bullocks applying any money we may get now on the older contracts, Wabash, Paducah, &c. Haven't discussed that question lately, but will do so. There may be some delay in getting the final payments on Mobile and Chester, but they will be secure, although Bullocks arrangements are, he says, such as will give him money enough to fully complete both jobs. If his estimates are ample and the money is not diverted, against which they have (the lenders) undoubtedly provided, there ought to be no unusual delay in making any or all of the payments.

Am glad the Port Huron Committee were not captured by Tarr.

Last Thursday I saw Mr. Johnson, of the Worthington Company, walking along Broadway with a gentleman evidently from the Country, and the moment he saw me he appeared to want to get his companion, who was, probably, one

of the Port Huron delegation, out of sight, for he took him by the arm and walked him straight on.

I will mention the Delafield matter to the father at the first favorable opportunity.

I do not think it necessary to pay any further attention to the letter from Louis Stein of Mobile than the acknowledgement you have already given, for the present at least. He is, I understand, interested in another water company there and is contesting the right of Bullock and his company in the courts. If Bullock signs our supplemental contract and makes the promised payments we will be reasonably safe without resorting to legal remedies.

Your telegram about Minneapolis committee, is just received and I will look out for them in the morning at the Metropolitan Hotel, as suggested.

Yrs truly,

C. G. HILDRETH,

Secy.

Ex. 4, Oct. 30/90.

THE HOLLY MANUFACTURING CO.

Builders of the Holly System of Water Works

and manufacturers of the

GASKILL PUMPING ENGINES.

T. T. Flagler, *Prest.*
H. F. Gaskill, *Vice-Prest. & Engineer.*
H. H. Flagler, *Treasurer.*
C. G. Hildreth, Secretary, Office, 45 Broadway,
Cincinnati, Ohio. Office, Room 21 Glenn Building.
Chicago, Ills. Office, Room 51 Home Insurance Bld., La Salle St.
Boston, Mass. Office, 27 Federal St.

NEW YORK, Jany. 26th, 1888.

Holly Co.

DEAR SIRS:—At Phila. I found that our application for release of security was duly presented to Council and referred to the Finance Committee, a meeting of which will probably be held before Council meets again (which it will do Thursday next, Feby. 2nd.) and the matter given to the Chairman with

power to prepare and introduce the necessary ordinance. There will be no unnecessary delay and no opposition I was told.

I saw Wm. G. Hopper and Co. about Bullock's affairs and was told that the statements made to me by Bullock, which I rehearsed to them, were all substantially correct, that is, that they have agreed in writing to advance him a sum total of money which it is believed will cover the cost, the estimates for which were made on a liberal basis, of completing Chester, Mobile and Greencastle, and they further said that nothing has occurred as yet to cause them to think that there would be a shortage. I told them that Bullock was behind in his payments to us to the extend of some $13,000. on account of Mobile, that he was owing us on Chester and Mobile some $82,000 that he had made promises which he failed to keep and that we naturally felt some solicitude as to how he was likely to come out. They replied that they believed he would come out all right and that they had faith in him. In answer to a question as to what they would do in case he was unable to complete the works within the limit of their loan they said, they " did not think it wise to change horses while crossing a stream," and that they would have to help him through. I told them about the lein and possession clauses in our contract, & that we were holding possession at Mobile. I thought best not to say we had notified Bullock that we would stop pumping if he did not pay up, nor suggest that we would take good bankable paper. I hoped they would inform me how much they had paid Bullock on the Mobile engine, but they were not inclined to do so, but they will no doubt look it up & if he has diverted any of the money they will call him to account.

On the whole the interview was satisfactory to me, because they confirmed what Bullock has said about his contract with them, and because I gave (verbal but positive) notice of our lein and possession rights, which we would not fail to enforce if it became necessary.

The money power behind the firm of Hopper and Co. is a Mr. Buckner of Phila. father in law of Hopper, a rich elderly

man, who has had to do with building and owning Gas Works, is now largely interested in the Buffalo Gas Works and well known to E. G. Spalding of that city, whom I think Mr. Flagler has known for years.

Following is copy of a letter received this morning from Mr. Bullock's office:—

"We have your favor of the 24th, together with seven bills of lading for an equal number of car-loads of machinery (this being the second Mobile engine), shipped to your order at Mobile.

We carefully note the extract from the letter sent you by the President of your Company. Mr. Bullock is now out West, and will not return here until Friday or Saturday of this week; probably not before Saturday night. It is, therefore, impossible for him to take action on this matter before his return. We can do, therefore, nothing more at present than to acknowledge the receipt of the letter, and to assure you that it shall be brought to Mr. Bullock's attention immediately on his arrival in New York."

Hopper told me that Bullock expected to stop at Phila. about this time on his way home from Mobile where he went, after stopping in the West last week to try to close a contract with the City for hydrant rental.

I think it decidedly best for you to notify Turner not to haul the engine from the railway station, nor to unload any of it (until ordered so to do by you) so long as the railway Company will allow it to remain on the cars without demurrage. Such an order if made known to Bullock's manager there, will be promptly wired to him here and give added force to our demand for money, but I would not order him to stop pumping without giving Bullock a full weeks notice after his return to New York. I will see him as soon as he returns.

Yours enclosing check for $500 on my account is received with thanks.

Also yours of yesterday concerning Mr. L. T. Smith of Leavenworth is recd. to whom I will extend courtesies if he calls or I can find him.

Am glad of your success at Dallas, Texas.

Fletcher is getting encouragement for the purchase of his 2d mortgage bonds at 75.

Yours Respectfully

C. G. HILDRETH,
Secy.
45 Broadway, New York.

Adjourned until Thursday, November 6th, 1890, at 3 P. M.

Mr. Ashhurst offers in evidence the following papers appearing on book marked "Specifications." Each paper being identified by the number of page of said specification-book upon which it appears being placed at the head thereof:—

PAGE 126.

Voucher No. 3. JULY 1st 7

THE NEW CHESTER WATER COMPANY.

To Material furnished and Labor done in construction of the plant of The New Chester Water Company at Chester, Penna., as per contract:

2734 Tons Cast Iron Pipe	98,424
14 " " " Specials	840
4 Cars of Lead	6,000
Hauling Pipe & Specials	3,500
10 Cars of Cement	7,000
Bricks	800
33,000 Cubic Yards of Puddle @ 17c	5,610
3,500 " " " Concrete " 43c	1,505
4 Weeks Labor, on Reservoir	6,700
4 " " pipe laying	8,100
	133,479

I hereby certify that I have examined into the foregoing statement and find the same correct, and that the Contractors are entitled to twenty-seven (27) per cent. of the number of First Mortgage Bonds and to twenty-seven (27) per cent. of the total amount of Capital Stock of the Company, as per contract.

Signed E. F. FULLER,
Chief Engineer.

PAGE 128.

Voucher No.1 MAY 1st 7

THE SOUTH CHESTER WATER COMPANY.

To Material furnished and Labor done in construction of the plant of The South Chester Water Company at Chester, Penna., as per contract.

Land for Reservoir	5,000
Malcolm Peters' claim	7,600
G. A. Christian's "	1,000
Miscellaneous "	2,800
Wm. H. Miller	5,000
Legal fees	1,300
100 Tons of Cast Iron Pipe	3,600
½ " " Special Castings	30
Engineering	600
Labor and Salaries	2,950
Boarding House on Reservoir Lot	500
	30,380

I hereby certify that I have examined into the foregoing statement and find the same correct and that the Contractors are entitled to ten (10) per cent. of the number of First Mortgage Bonds and to ten (10) per cent. of the total amount of Capital Stock of the Company as per contract.

Signed E. F. FULLER,
Chief Engineer.

PAGE 130.

Voucheer No. 3 JULY 1st 7

THE SOUTH CHESTER WATER COMPANY.

To Material furnished and Labor done in construction of the plant of The South Chester Water Company, at Chester, Penna., as per contract.

1265 Tons Cast Iron Pipe	45,535

I hereby certify that I have examined into the foregoing statement & find the same correct and that the Contractors are entitled to sixteen per cent. of the number of First Mortgage Bonds and to sixteen per cent. of the total amount of Capital Stock of the Company, as per contract.

Signed E. F. FULLER
Chief Engineer.

PAGE 131.

Voucher No. 1. JULY 1st 7

THE NEW CHESTER WATER COMPANY.

To Material furnished & Labor done in construction of the plant of The New Chester Water Company at Chester, Penna., as per contract.

1469 Tons of Pipe	52,889
14 " " C. I. specials	840
4 Cars of Lead	6,000
Hauling Pipe & Specials	3,500
10 Cars of Cement	2,000
Bricks	800
33,000 Cubic yards of Pudda @ 17c	5,610
3,500 " " " Concrete " 43c	1,505
4 Weeks Labor on Reservoir	6,700
4 " " " pipe laying	8,100
	$87,944

I hereby certify that I have examined into the foregoing statement & find the same correct, and that the Contractors are entitled to eighteen per cent. of the First Mortgage Bonds and eighteen per cent. of the total amount of Capital Stock of the Company, as per contract.

Signed E. F. FULLER
Chief Engineer.

PAGE 132.

Voucher No. 2. JULY 7th 7

THE NEW CHESTER WATER COMPANY.

For the purchase of the entire plant of the South Ward Water Works Co., according to the terms of the tri-partite agreement and payment of its Bonded and floating Debt and Interest thereon, until maturity as per agreement of this date with the Chester Natl. Bank $313,000 00

I have examined into the foregoing statement and find the same correct and that the contractors are entitled to sixty-three per cent. of the Bonds and sixty-three per cent. of the Capital Stock of the Company as per agreement.

Signed E. F. FULLER,
Chief Engineer.

50

(Same as Ex. A, of May 1890.)

PAGE 133.

Voucher No. 3. AUGUST 1st 7

THE NEW CHESTER WATER COMPANY.

To Material furnished and Labor done in construction of the plant of The New Chester Water Company at Chester Pa. as per contract

323 Tons of Pipe	11,628
6 " Specials	360
Laying pipe and specials	1,800
Masonry	1,300
1000 yards (cubic) Concrete 30c.	300
4 weeks Labor on Reservoir	5,700
	21,088

I hereby certify that I have examined into the foregoing statement of Material furnished and Labor done & find the same correct, and that the Contractors are entitled to four per cent. of the First Mortgage Bonds and four per cent. of the Capital Stock of the Company as per contract.

Signed E. F. FULLER,
Chief Engineer.

PAGE 148.

Voucher No. 4. AUGUST 27th 7

THE NEW CHESTER WATER COMPANY.

To Material furnished & Labor done in construction of the plant of The New Chester Water Company, at Chester, Pa., as per contract.

350 Tons Pipe	13,600
20 " Specials	1,200
Labor & Salaries	7,000
	21,800

I hereby certify that I have examined into the foregoing statement of Material furnished and Labor done & find the same correct & that the Contractors are entitled to 4½ per cent. of The First Mortgage Bond and to 4½ % of the Capital Stock of the Company as per contract.

Signed E. F. FULLER,
Chief Engineer.

PAGE 150.

Voucher No. 5. AUGUST 31st 7

THE NEW CHESTER WATER COMPANY.

To Material furnished and Labor done in the construction of the plant of The New Chester Water Company, at Chester, Penna., as per contract.

565 pcs. Cast Iron Pipe 20 "		
98 " " " " 24 "	654 Tons	23,544
Specials	1½ "	90
		23,634

In addition to pipe charged on Voucher No. 4.

I hereby certify that I have examined into the foregoing statement of Material furnished and Labor done and find the same correct, and that the Contractors are entitled to 43¾% of The First Mortgage Bonds and to 43¾% of The Capital Stock of The Company as per contract.

Signed E. F. FULLER,
Chief Engineer.

PAGE 151.

Statement of Expenditure, incurred in the Construction of The Works of The New Chester Water Company at Chester, Penna., up to September 1st 1887.

Land for Reservoir	5,000	
Malcolm Peters' claim	7,600	
G. A. Christian's "	1,000	
Miscellaneous "	2,800	
Wm. H. Miller's "	5,000	
Legal fees	1,300	
		22,700
Pipe, Specials, Lead, &c. as per statement		118,548
Drafts made by E. F. Fuller for pay rolls &c., including amount paid by S. R. B. & Co.'s cheques direct from New York, and amount advanced by Mr. Bucknell on Aug. 30th		83,207
Commissions & Interest pd. Mr. Bucknell to date		31,732
Amount paid by S. R. B. & Co. for Works of South Ward Water Co., in addition to amount advanced by Mr. Bucknell		13,000
Total		$26),187

PAGE 152.

Drafts drawn by E. F. Fuller from Chester, Pa., for construction of Works of The New Chester Water Company.

May 7th, 1887	$1,500.00
" 12th, "	500.00
June 6th, "	$9,000.00
" 21st, "	$5,000.00
July 2nd, "	$2,500.00
" 7th, "	$7,300.00
" 14th, "	$8,000.00
" 14th, "	$7,000.00
" 30th, "	$9,000.00
Aug. 2nd, "	$1,000.00
	$50,800.00
Aug. 13th, 1887	9,000.00
" " "	1,000.00
" " "	3,000.00
	$63,800.00
Amt. paid Mr. Fuller direct from New York, before opening Bank % in Chester	11,726.
	75,526.00
Pay Roll, advanced by Mr. Bucknell	7,681.
	83,207.00

PAGE 153.

Statement of Expenditures incurred in the Construction of the Works of The Bienville Water Supply Company of Mobile, Ala., to September 1st, 1887.

Pipe, Specials, Lead & other Material used for construction of Works as per statement	335,291.85
Drafts made by C. Delafield for pay rolls, hauling, mules, horses, for all of which we have detailed accounts (original drafts herewith)	180,700.
	$515,991.85

The above does not include commission and interest paid Mr. Bucknell on advances made.

PAGE 156.

CHESTER.

Required to complete the Works:

Pipe yet to be delivered	$45,000
Specials " "	2,500
Valves	3,000
Engines	50,000
Boilers	7,000
Engine House	13,000
Pump Foundation	1,800
Suction Main	2,000
Smoke Stack	3,000
Labor & Material to finish Reservoir	20,000
Pipe laying	10,000
	$157,300
Amount of Loans obtained to date on 427 Bonds @ 60c.	256,200
	$413,500
In addition to above a loan has been obtained on the bonds of the South Chester Water Company	315,810
Total	$729,310

500 Bonds of The New Chester Water Co. $500,000.00 @ 75c.	$375,000	
300 Bonds of The South Chester Water Co. $300,000 @ 100c.	300,000	
	$675,000	
Add increase on entire issue, taken @ 95c.	85,000	
Total	$760,000	

PAGE 168.

Statement showing amounts required to complete Works on Bonds on which loans have been obtained.

Shreveport—All bills paid		
Warren—All bills paid		
Wabash—All bills paid		
Mobile, required to finish Works		$72,000
Chester, " " "		156,000
Circleville, " " "		25,000
Greencastle, " " "		12,000
Vicksburg, " " "		30,000

Marion, required to finish Works		$85,000
Stevens Point, " " "		95,000
Natchez, " " "		120,000
Total Amount required		$595,000

FURTHER LIABILITIES.

Bills for Material now due and unpaid, and acceptances, held without collateral:

On % of Circleville	$5,000	
" Mobile	3,500	
" Chester	50,000	
" Greencastle	8,000	
" Vicksburg	7,000	
" Marion	25,000	
" Stevens Point	7,500	
" Natchez	1,500	
		107,500
Grand Total		$702,500

PAGE 169.

Statement showing the amount required to complete the plant of The New Chester Water Company.

Pipe and Specials		$22,000
Valves		2,000
Pumping Engines		50,000
Boiler		7,000
Engine House & Foundation		12,000
Pump Foundations		1,800
Suction Main		2,000
Smoke Stack		3,000
To complete Reservoirs		15,000
		$114,800
Unpaid Bills to R. D. Wood & Co.		44,000
Money borrowed from Chester Natl. Bank		16,000
Chester First Natl. Bank		4,500
New York Bank of North America		7,000
" First National Bank		5,000
		$191,300
Amount paid for South Chester Works	$300,000	
" advanced to date	256,200	
		556,200
Total Cost		$747,500

55

(Same as Exhibit A. Apr. 23/90.)

PAGE 191.

Amounts required to complete the Works of the New Chester Water Company, exclusive of Pipe and Specials.

Pump House	$13,000
Smokestack	3,000
Pumping Machinery	50,000
Boilers	7,000
River Work	3,000
Work on Reservoir	15,000
Pipe-laying	7,000
Total	$98,000

For Chester there are also over-due the following obligations:—

First National Bank, Chester	$4,500
Chester National Bank	16,000
First National Bank, New York	6,000
Bank of North America	8,400
Total	$34,900

The amount due the Bank of North America, and the sum of $8,150 for pay-roll, must be paid on Monday, both being now over-due. The remainder may be paid during the coming week.

(Same as Ex. A. Apr. 23/90.)

PAGE 193.

Amounts required to complete the Works of the Bienville Water Supply Company.

Pumping Machinery	$47,000
Labor Account	18,000
Bricks, making and Laying	7,000
Total	$72,000

There must be paid on Monday, here, $3,500, and on Tuesday, $6,850.

PAGE 207.

NEW YORK October 26th 1887

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN:—We need for immediate disbursement the following amounts:—

CHESTER.

Pay-roll due Sept. 24th (Wood)	$8,150.	
" " Oct. 8th	4,455.98	
Monthly bills due Oct. 10th	2,200.	
Pay-roll due Oct. 2d	3,500.	
Geo. Leiper for stone	700.	
Rent and general expenses	200.	
First National Bank	4,500.	
Total		$23,705.98

MOBILE.

Draft due on Oct. 3rd, borrowed money spent for labor	$3,500.	
Draft due on Oct. 4th, labor and material	6,850.	
Sight Draft due Oct. 13th (Labor)	6,750.	
Total		17,100.00

GREENCASTLE.

Pumping Machinery	$1,500.	
On account of stand-pipe	2,000.	
Labor	2,500.	
Small bills	675.	
Over-due Draft (Labor)	3,500.	
Total		10,175.00
Total		$50,980.00

Please procure this amount for us from Messrs. Wm. G. Hopper & Co., as per agreement, and give us the funds for disbursement as per same agreement.

Yours truly

SAML. R. BULLOCK & CO.

PAGE 208.

NEW YORK, November 7th, 1887.

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN :—We need for immediate disbursement the following amounts :—

CHESTER.

½ amount of bills, pipe, (R. D. Wood & Co.)	$6,098.05	
Pay-roll	3,590.00	
Rock at Reservoir	850.00	
Stone at Pumping Station	835.00	
Brick " " "	1,500.00	
Brick Laying	1,400.00	
Hauling	163.00	
Monthly Bills	1,393.00	
First payment on account of Pumping Machinery	8,333.33	
First National Bank (balance)	3,500.00	
Total		$27,662.38

MOBILE.

Payment on account of Pumping Machinery	$8,333.33	
Pay-roll, brick yard	1,265.00	
Hauling	216.00	
Pay-roll, Reservoir	6,800.00	
Bills	3,623.37	
Borrowed money to pay over-due labor	1,700.00	
Total		$21,937.70
		$49,600.08

Please procure this amount for us from Messrs. Wm. G. Hopper & Co., as per agreement, and give us the funds for disbursement as per same agreement.

Yours truly,

SAML. R. BULLOCK & CO.

PAGE 211.

NEW YORK, November 21st, 1887.

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN :—We need for immediate disbursement the following amounts :—

CHESTER.

R. D. Wood & Co. (Pipe bills)	$9,460.11
Pay roll at Reservoir	2,780.00

Pay roll Pipe line and pump station	2,623.00
Pipe and other hauling	550.00
Stone for Pumping Station	1,200.00
Brick laying	534.00
Time Checks	475.00
Total	$17,622.11

MOBILE.

Payment on account of pumping machinery	$8,333.33
Pay roll brick yard	742.00
Pay roll two (2) Reservoirs	6,327.00
Hauling	198.00
Small bills	1,320.43
Total	$16,920.76

Please procure this amount for us from Messrs. Wm. G. Hopper & Co., as per agreement, and give us the funds for disbursement as per same agreement.

Yours truly,

SAML. R. BULLOCK & CO.

PAGE 213.

NEW YORK, Dec. 5th, 1887.

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN:—We need for immediate disbursement the following amounts:—

CHESTER.

R. D. Wood & Co. (on account of pipe bills)	$3,343.79
Pay roll at Reservoir	2,003.
Pay roll Pipe line and Pumping Station	2,950.
Pipe and other hauling	600.
Stone for Pumping Station	900.
Brick laying	800.
Stone at Reservoir	1,214.25
Clay at Reservoir	745.
Doors & Frames at Pumping Station	700.
Brick	750.
Lumber	822.67
Chester Foundry & Machine Co.	232.10
Hardware	142.63
Blacksmith	128.63

Octagon Brick	183.38
Dynamite	33.81
Three months office rent	75.
Time Checks	200.
Small bills	255.33
Salaries	200.00
Total	$16,279.59

MOBILE.

Pay roll at Brick yard	$1,864.50
Groceries & Fodder	713.
Pay roll at Reservoir	3,838.
Small Bills	381.15
Extra hauling	238.
Total	$7,034.65

Chester	$16,279.59
Mobile	7,034.65
	$23,314.24

Please procure this amount for us from Messrs. Wm. G. Hopper & Co., as per agreement, and give us the funds for disbursement as per same agreement.

Yours truly,

SAML. R. BULLOCK & CO.

DEC. 6/87.

PAGE 214.

Statement showing amounts needed to complete Works at Mobile & Chester.

MOBILE.

Balance on pumping machy.	30,333.34	
Labor at Reservoir	10,300.	
" Brickyard (making and laying)	2,500.	
Cement	4,500.	
	47,633.34	
5 % for Contingencies, (office Exp., Small bills, and Engineering)	2,381.66	
		50,015

CHESTER.

Balance on Pumping machinery	41,666.67	
Amount on Boilers	6,000.	
Pipe Laying	5,000.	
Pumping Station	4,000.	
Labor to finish first basin	800.	
Stone	500.	
River Work	1,500.	
Work on second basin—Stone Labor, puddle & earthwork	10,000.	
Extra Connection & work on grounds at pump house	3,000.	
	72,466.67	
5% for Contingencies (office Expenses, Small bills & Engineering,	3,623.33	
		76,090
Total		126,105

PAGE 215.

NEW YORK, December 19th, 1887.

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN:—We need for immediate disbursement the following amounts:—

CHESTER.

Pay roll at Reservoir	$1,100.	
Pay roll Pipe Line	2,500.	
Pipe Hauling	300.	
Rock and teams at Reservoir	300.	
River Work	250.	
Labor at Pumping Station	150.	
First payment on boilers	1,700.	
		$6,300.

MOBILE.

Pay roll at Brick Yard	$1,654.75	
Groceries and Fodder	164.25	
Pay roll at Reservoir	2,640.	
Cement	500.	
		$4,959.
Total		$11,259.00

Please procure this amount for us from Messrs. Wm. G. Hopper & Co., as per agreement, and give us the funds for disbursement as per same agreement.

Yours truly,

SAML. R. BULLOCK & CO.

PAGE 219.

NEW YORK, January 3rd, 1888.

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN :—We need for immediate disbursement the following amounts :—

CHESTER.

Pay roll at Reservoir	$248.	
Pay roll, Pipe line	2,300.	
Pay roll at Pumping Station	365.	
Pipe and other hauling	350.	
Brick	455.	
Brick Laying	390.	
Stone at Pumping Station	350.	
Stone at Reservoir	690.	
Frames & Doors	450.	
Hardware & Blacksmith work	180.	
Gartside & Turner	116.	
Lumber	100.	
Small bills	334.	
Time Checks and Salaries	200.	
Total		$6,528.00

MOBILE.

Pay roll at Brick yard	$864.	
Pay roll at Reservoir	2,190.	
Cement	800.	
Freight and Hauling	351.	
Groceries & Fodder	597.	
Small bills	321.	
Total		$5,133.
		$11,661.00

Please procure this amount for us from Messrs. Wm. G. Hopper & Co., and give us the funds for disbursement as per same agreement.

Yours truly,

SAML. R. BULLOCK & CO.

PAGE 230.

NEW YORK, January 16th, 1888.

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN :—We need for immediate disbursement the following amounts :—

CHESTER.

Pay roll Pipe Line	$2,200.
Pay roll at Reservoir	65.

Pay roll at Pumping Station	295.	
Grading	520.	
Hauling Pipe	300.	
Dougherty & Feeley	1,680.	
J. C. & W. G. Price	300.	
Small bills and time checks	400.	
Total		$5,760.

MOBILE.

Pay roll at Brick Yard	$1,380.	
Pay roll at Reservoir	3,764.	
Cement	640.	
Freight and hauling	250.	
Groceries & Fodder	210.	
Small bills	325.	
Total		$6,569.
		$12,529.00

Please procure this amount for us from Messrs. Wm. G. Hopper & Co., and give us the funds for disbursement as per agreement.

Yours truly,

SAML. R. BULLOCK & CO.

PAGE 240.

NEW YORK, January 31st, 1888.

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN:—We need for immediate disbursement the following amounts:—

CHESTER.

Pay roll, Pipe Line	$1,330.
" Pumping Station	90.
J. C. & W. C. Price	180.
Oliver Bros., Brick and laying	260.
J. H. Stroud & Co., Frames	430.
Geo. G. Leiper, stone	400.
D. P. Paiste	185.
J. M. Bottomley	100.
R. Chadwick, Blacksmith	135.
Morton & Black	180.
J. K. Van Dusen, Fire Brick	208.
Small bills	250.
Time Checks, Rent & Salaries	350.
Total	$4,098.00

MOBILE.

Pay roll at Brick Yard	$1,099.	
" at Reservoir	2,110.	
Cement	320.	
Freight and hauling	110.	
Groceries & Fodder	203.	
Small bills	380.	
		$4,222.00
		$8,320.00

Please procure these funds for us, and give us the same for disbursement as per agreement.

Yours truly,

SAML. R. BULLOCK & CO.

PAGE 245.

NEW YORK, February 14th, 1888.

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN:—We need for immediate disbursement the following amounts:—

CHESTER.

Pay roll, Pipe Line	$950.
" Pumping Station	70.
Pipe Hauling, balance due	243.47
Time Checks and Salaries	150.00
	$1,413.47

MOBILE.

Pay roll, Reservoir	$2,117.	
" Brick Yard	1,356.	
Cement	680.	
Freight	62.50	
Groceries & Fodder	287.62	
Small Bills	112.43	
		$4,615.55
Total		$6,029.02

Please procure these funds for us, and give us the same for disbursement, as per agreement.

SAML. R. BULLOCK & CO.

PAGE 269½.

NEW YORK, February 27th, 1888.

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN:—We need for immediate disbursement the following amounts:—

CHESTER.

Pay roll, Pipe Line	$885.00
" Pumping Station	68.25
Small Bills	112.15
Time Checks and Salaries	275.00
	$1,340.40

MOBILE.

Pay roll, Reservoir	$1,825.	
" Brick Yard	886.	
Cement	375.	
Freight	55.65	
Hauling	210.	
Groceries & Fodder	213.50	
Small Bills	247.50	
		3,812.65
		$5,153.05

Please procure these funds for us, and give us the same for disbursement, as per agreement.

SAML. R. BULLOCK & CO.

PAGE 271.

NEW YORK, March 15th, 1888.

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN:—We need for immediate disbursement the following amounts:—

CHESTER.

Pay roll, Pipe Line	$800.
" Pumping Station	200.
Bills due in Chester	2,294.67
	$3,294.67

MOBILE.

Pay roll, Reservoir	$2,123.00	
" Brick Yard	1,140.00	
Cement	115.00	
Freight	33.15	
Hauling	108.75	
Groceries & Fodder	345.10	
Small Bills	173.85	
		$4,038.85
Total		$7,333.52

Please procure these funds for us, and give us the same for disbursement, as per agreement.

SAML. R. BULLOCK & CO.

PAGE 274.

NEW YORK, March 26th, 1888.

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN :—We need for immediate disbursement the following amounts :—

CHESTER.

Pay roll, Pipe Line	$500.
" Pump House	285.
Salaries	125.
Time Checks	50.
Small Bills	135.
	$1,095.

MOBILE.

Pay-roll, Reservoir	$1,923.	
" Pumping Station	327.50	
" Brick Yard	980.	
Cement	515.	
Freight	173.80	
Groceries & Fodder	118.75	
Small Bills	215.90	
		$4,253.95
		$5,348.95

Please procure these funds for us, and give us the same for disbursement, as per agreement.

Yours truly,

SAML. R. BULLOCK & CO.

PAGE 275.

NEW YORK, April 9th, 1888.

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN:—We need for immediate disbursement the following amounts:—

CHESTER.

Pay rolls	$1,100.00
Bills due in Chester	2,908.00
	$4,008.00

MOBILE.

Pay roll at Reservoir	$1,120.00	
" Brick Yard	935.00	
Cement	500.00	
Freight	28.50	
Hauling	251.60	
Groceries & Fodder	283.61	
Jarvis Turner & Sons, in full	1,000.00	
Small Bills	781.54	
		4,900.25
Total		$8,908.25

Please procure these funds for us, and give us the same for disbursement, as per agreement.

SAML. R. BULLOCK & CO.

PAGE 277.

NEW YORK, April 23d, 1888.

Messrs. R. D. Wood & Co. Philadelphia, Pa.

GENTLEMEN:—We need for immediate disbursement the following amounts:—

CHESTER.

Payroll, Pipe Line	$1,550.
" Pump House	375.
" Section Main	287.
Salaries	250.
Small Bills	363.75
	$2,825.75

MOBILE.

Pay roll at Reservoir	$2,283.50	
" Pumping Station	178.	
" Brick Yard	693.75	

Cement	$490.	
Groceries & Fodder	268.63	
Small Bills	473.37	
		$4,387.25
Total		$7,213.00

Please procure these funds for us, and give us the same for disbursement, as per agreement.

Yours truly,

SAML. R. BULLOCK & CO.

PAGE 278.

NEW YORK, May 7th, 1888.

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN :—We require for immediate disbursement the following amounts :—

CHESTER.

Pay roll, Pipe Line	$1,660.00
" Pump Station	270.00
" Reservoir	30.00
" Wharf	117.00
Bills due on 10th :	
J. C. & W. C. Price, brick furnished	191.00
J. & T. Oliver, brick laying	218.12
J. H. Stroud, Lumber and framing	265.00
Geo. H. Leiper, stone work	215.17
D. P. Paiste, Hardware	40.23
Jos. M. Bottomley, Hardware	46.97
Western Union Telegraph Company	17.05
John T. Hammer	26.00
Electric Light Company	2.50
Telephone Company	16.50
Tatham Bros., Lead	242.08
Chester Foundry & Machine Company, bolts & steam fittings	203.50
Howarth & Sons, slate on Engine House roof, & Cornices	970.33
Robert Chadwick, Blacksmith work	126.13
Morton & Black, Lumber	610.09
Gartside & Turner, plumbing & pipe work	51.28
Dougherty & Feeley, breeching	105.00
Captain John J. Williams, work on submerged main	525.00
H. F. Birtwell	1.50
J. O. Deschong, Wharfage	4.00
Delaware River Iron Company	3.00
Philip Conley, sewer pipe	406.98
Edward M. Carley, tin work	1.75
	$6,366.18

MOBILE.

Pay roll, Reservoir	$1,897.30	
" Brick Yard	963.87	
" Pump Station	92.75	
Cement	560.00	
Earth and hauling for embankment	617.00	
J. R. Edwards Groceries & Fodder	248.00	
Small Bills	213.28	
		$4,592.30
Total		$10,958.48

Please procure the same for us, as per agreement, and oblige

Yours truly,

SAML. R. BULLOCK & CO.

PAGE 280.

NEW YORK, May 21st, 1888.

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN :—We require for immediate disbursement the following amounts :—

CHESTER.

Pay roll, Pipe line	$700.00
" Pumping Station	100.00
" Reservoir	60.00
Salaries and Office Expenses	150.00
	$1,010.00

MOBILE.

Pay roll, Reservoir	$2,520.80	
" Pumping Station	630.00	
" Brick Yard	1,390.75	
Hauling and Freight	380.00	
Cement	1,400.00	
Groceries	293.60	
Small bills	381.15	
		$6,996.30
Total		$8,006.30

Kindly give us these funds for immediate disbursement, as per agreement, and oblige,

Yours truly,

SAML. R. BULLOCK & CO.

R. D. WOOD & CO.

MOBILE.

1888.	Pay roll Brick Yard.	Pay roll Reservoir	Pay roll Pump Station.	Cement.	Freight Hauling.	Fodder.	Small Bills.
Jany. 31	$1,099.00	$2,110.00		$320.00	$110.00	$203.00	$380.00
Feb. 14	1,356.00	2,117.00		680.00	62.50	287.62	112.43
" 27	886.00	1,825.00		375.00	265.65	213.50	247.50
Mch. 15	1,140.00	2,123.00		115.00	141.90	345.10	173.85
" 26	980.00	1,923.00	$327.50	515.00	173.80	118.75	215.90
April 9	935.00	1,120.00		500.00	280.10	283.61	1,781.54
" 23	693.75	2,283.50	178.00	490.00		268.63	473.37
May 7	963.87	1,897.40	92.75	560.00	617.00	248.00	213.28
" 21	1,390.75	2,520.80	630.00	1,400.00	380.00	293.60	381.15
	$9,444.37	$17,919.70	$1,228.25	$4,955.00	$2,030.95	$2,261.81	$3,979.02

RECAPITULATION.

Pay roll Brick Yard	$9,444.37
" Reservoir	17,919.70
" Pump Station	1,228.25
Cement	4,955.00
Freight & Hauling	2,030.95
Fodder	2,261.81
Small Bills	3,979.02
Total	$41,819.10

R. D. WOOD & CO.

CHESTER.

1888.	Time Checks and Salaries.	Pay roll, Pipe Line.	Pay roll, Pump Station.	Material Bills.
Jany. 31	350.00	$1,330.00	$90.00	$2,328.00*
Feby. 14	150.00	950.00	70.00	243.47
" 27	275.00	885.00	68.25	112.15
March 15		800.00	200.00	2,294.67
" 26	175.00	500.00	285.00	135.00
April 9		1,100.00	375.00	2,908.00
" 23	250.00	1,550.00	287.00 Suction Main.	363.75
May 7		1,660.00	417.00 100.00	4,289.18
" 21	150.00	700.00	60.00 Reservoir.	
	$1,350.00	$9,475.00	$1,952.25	$12,674.22

* Of this amount Hopper & Co. paid $389.78, balance on contract to furnish $200,000.00.

RECAPITULATION.

Time Checks & Salaries	$1,350.00
Pay roll, Pipe Line	9,475.00
" Pump Station	1,952 25
Material Bills	12,674.22
Total	$25,451.47

W. G. HOPPER & CO.

Money received from W. G. Hopper & Co. under agreement dated October, 1887, on :—

	Chester.	Mobile.	Greencastle.
Oct. 26	$23,705.98	$17,100.00	$10,000.00
Nov. 7	33,760.43	21,937.70	. . . . .
" 21	17,622.11	16,920.76	. . . . .
Dec. 5	16,279.59	7,034.65	. . . . .
" 19	6,300.00	4,959.00	. . . . .
1888.			
Jany. 3	6,528.00	5,133.00	. . . . .
" 16	5,760.00	6,569.00	. . . . .
" 31	389.78	. . . . .	. . . . .
	$110,345.89	$79,654.11	$10,000.00

RECAPITULATION.

Chester	$110,345.89
Mobile	79,654.11
Greencastle	10,000.00
Total	$200,000.00

RECAPITULATION.

Received from R. D. Wood & Co. on Chester*	$25,451.47
" " " Mobile	41,819.10
" " W. G. Hopper & Co. on Chester	110,345.89
" " " Mobile	79,654.11
" " " Greencastle	10,000.00
Grand total	$267,270.57

*Less $389.78, received from W. G. Hopper & Co.

PAGE 289.

NEW YORK, June 4th, 1888.

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN :—We require for immediate disbursement the following amounts :—

CHESTER.

Pay roll, Reservoir, laborers & cartage	$1,562.00
Stone for rock paving	780.00
Pay roll, Pipe Line	670.00
" Pumping Station	190.00
	$3,202.00

MOBILE.

Pay roll Reservoir	$1,681.90	
" Pumping Station	481.70	
" Brick Yard	1,189.45	
Hauling and Freight	240.00	
Cement	940.00	
Groceries	243.60	
Small Bills	430.50	
		5,087.15
Total		$8,289.15

Please procure the same for us, as per agreement, and oblige,

Yours truly,

SAML. R. BULLOCK & CO.

PAGE 290.

NEW YORK, June 18th, 1888.

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN :—We will require for immediate disbursement the following amounts :—

CHESTER.

Pay roll Reservoir	$2,710.
" Pipe Line	550.
" Pump Station	245.
	$3,505.

Bills due :

J. C. & W. G. Price, brick	$224.
J. & T. Oliver, brick laying	275.

John H. Stroud & Co., lumber	$91.30
John M. Bottomley, hardware	31.45
Chester Foundry & Machine Co.	34.54
Western Union Telegraph Co.	19.99
Electric Light Company	2.50
Rent of Office	75.00
Hammon & Roberts, hauling	54.00
Morton & Black, Lumber	131.07
C. Turner, drayage	14.72
Tatham Bros., lead	202.50
Robt. Howarth & Sons, paints	28.00
Robt. Chadwick, blacksmith	88.25
Benjamin H. Shoemaker, glass	145.87
James Fryer	5.25
Williams & Brown	3.25
Chester Gas Company	8.10
F. Beaver	.75
Delaware River Ship Company	3.00
H. F. Britnell	1.50
Holkhardt Bros.	1.50
E. M. Carey	1.75
J. O. Deshong	4.00
F. S. Williamson	10.85
Geo. Dutton, Rent of ground	50.00
Sutter & Miller, rubber boots for puddle works	57.75
H. P. Eves, Veterinary Surgeon	2.00
Chester Freight Line	8.59
Total	$1,576.48

Pay rolls	$3,505.
Bills	1,576.48
Total	$5,081.48

MOBILE.

Pay roll, Reservoir	$2,180.	
" Pump Station	760.	
Cement	835.	
Small Bills	483.50	
		$4,258.50
Total		$9,339.98

Please hand us these funds for disbursement, as per agreement.

Yours truly,

SAML. R. BULLOCK & CO.

PAGE 293.

NEW YORK, July 2d, 1888.

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN :—We will require for immediate disbursement the following amounts :—

CHESTER.

Pay roll Reservoir	$2,650.
" Pipe Line	775.
" Pumping Station	450.
Total	$3,875.

MOBILE.

Pay roll, Reservoir	$400.	
" Pumping Station	150.	
Small Bills	380.	
		930.
Total		$4,805.

(This will be the last requisition for Mobile and closes that account.)

Please hand us these funds, as per agreement, and oblige

Yours truly,

SAML. R. BULLOCK & CO.

PAGE 295.

NEW YORK, July 16th, 1888.

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN :—We shall require for immediate disbursement the following amount :—

CHESTER.

Pay roll, Pump Station	$450.
" Reservoir	1,950.
" Pipe Line	550.
Total	$2,950.

Bills for June :

D. P. Paiste, Hardware	$11.37
Jos. M. Bottomley, Hardware	29.48
Chester Foundry & Machine Co. (Castings and Machine work)	138.82
Western Union Telegraph Co.	15.92

Electric Light Co.	$2.50	
Roberts & Hammon, Livery & Hauling	47.50	
Morton & Black, Lumber	103.74	
S. C. Turner, Plumber	14.24	
Dougherty & Feeley, work on boilers	15.33	
Robt. Chadwick, Blacksmithing	61.52	
Philip Conlin	8.94	
Franklin Broadbelt (painting sign)	4.95	
Geo. W. Farraday, plastering	121.30	
W. P. Eyre, Seed	8.25	
H. B. Taylor, locks, &c.	60.45	
Mathews & Co., Coal (Reservoir)	25.25	
Geo. Compton, (Acct. painting Engine House)	300.00	
G. Dutton, (Rent of ground)	50.00	
Gartside & Son, Plumbing	48.72	
Jno. H. Stroud & Co., (carpenter work)	13.57	
Isaac S. Dewees, Blacksmith	16.20	
Chester Steam Freight Line	2.58	
Geo. F. Blake Manf'g (Repair to Pump), Reservoir)	3.50	
Hunter Bros., Stationery	1.00	
		$1,104.13
Total		$4,054.13

Please procure these funds for us, and give the same for disbursement, as per agreement.

Yours truly,

SAML. R. BULLOCK & CO.

PAGE 297.

NEW YORK, July 30th, 1888.

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN:—We need, for immediate disbursement, the following amounts:—

CHESTER.

Pay roll, Reservoir	$2,125.50
" Pipe Line	286.00
" Pumping Station	98.75
Total	$2,510.25

Kindly procure these funds for us, and hand us the same as per agreement, and oblige,

Yours truly,

SAML. R. BULLOCK & CO.

PAGE 307.

NEW YORK, August 13, 1888.

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN :—We will require for immediate disbursement the following amounts :—

CHESTER.

Pay roll Pump Station	$60.
" Pipe Line	125.
" Reservoir	1,663.00
Total	$1,848.

Bills for July :

Dougherty & Feeley, extras on boilers	$61.51	
D. P. Paiste, Hardware	10.35	
Jos. Bottomley, "	7.78	
Western Union Telegraph Co.	21.38	
Electric Light Co.	2.50	
Roberts & Hammon, Board $18, Livery $15	33.	
Morton & Black, Lumber	57.85	
S. C. Turner, Fittings P. S.	14.18	
Tatham & Bro., lead	194.65	
Robert Howarth & Sons, Roofing	1.80	
Wm. P. Eyre, Lawn Roller	19.00	
P. E. Cone, Buckets, &c.	2.30	
Jno. H. Stroud & Co., Lumber	2.35	
S. B. Taylor, hardware	9.33	
Cain & Bro., Blacksmith	2.45	
Geo. W. Compton, Painting	30.00	
Bellah & Co., Steam Pipe Covering	59.85	
Chester Freight Line	1.92	
John Mullen, Clay for puddle	300.00	
		832.20
Total		$2,680.20

Please procure these funds for us, and give us the same for disbursement as per agreement,

Yours truly,

SAML. R. BULLOCK & CO.

PAGE 308.

NEW YORK, August 27th, 1888.

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN:—We require for immediate disbursement the following amount, on account of Chester:—

CHESTER.

Pay roll, Reservoir	$1,391
" Pipe Line	175
" Pumping Station	60
Time Checks	150
Total	$2,076

Please hand us these funds, as usual, and oblige,

Yours truly,

SAML. R. BULLOCK & CO.

PAGE 310.

NEW YORK, Sept. 10th, 1888.

Messrs. R. D. Wood & Co., Philadelphia, Pa.

GENTLEMEN:—We need for immediate disbursement the following amounts:—

CHESTER.

(Final Requisition.)

Pay roll, Reservoir	$1,845.
" Pipe Line	220.
	$2,065.

Contracts.

Stone paving at Reservoir, J. Devlin	$1,332.25	
Clay for puddle, Thos. Palmer	346.00	
Clay for puddle, John Mullin	560.00	
		2,238.25

Small Bills.

D. P. Paiste, Hardware	$19.45
Chester Fdy. & Mach. Co.	44.52
J. M. Bottomley, Cement	18.05
3 Months Rent (Office)	75.00
Mathews & Co., Coal	23.75
Dougherty & Feeley, Extra work on boilers	63.96
Morton & Black, Lumber	61.10

Western Union Telegraph Co.	$18.69	
R. Chadwick, Blacksmith	41.22	
J. S. Dewees, "	5.80	
S. Bracomsley, Marble Tablets	36.11	
R. Hannan, Livery man	42.00	
		$449.65
Total		$4,752.90

Kindly hand us these funds, as per agreement, and oblige,
Yours truly,

SAML. R. BULLOCK & CO.

(Same as Ex. No. 1. 4/30/90. A. J. H.)

PAGE 311.

Statement showing cost of completed Works, Chester, Pa.

Pipe & Specials, R. D. Wood & Co.	$161,774.87
" McNeal Pipe & Fdy. Co.	1,417.87
Hydrants, R. D. Wood & Co.	892.50
Valves & Boxes, Ludlow Manufacturing Co.	2,592.78
Lead, Thomas J. Pope & Bro.	8,305.77
" Tatham & Bros.	1,026.81
Hemp, Waterbury & Co.	183.22
" De Grauw & Co.	56.25
Pump-house Roof, R. D. Wood & Co.	2,550.00
Pumping Engines, Holly Manufacturing Co.	50,000.00
Boilers, Dougherty & Feeley	7,000.00
Pump-house, Smoke-stack etc.	27,642.87
Reservoirs	94,678.63
River Work	2,548.35
Pipe laying and hauling, etc.	55,482.50
Repairs to old pipe	3,148.55
Land for Reservoir Site	6,000.00
Engineering, Rent and Small Bills	18,726.00
W. H. Miller, purchase of Charters, New Water Companies	15,000.00
Purchase Price, South Ward Water Works	313,000.00
Old Notes due by South Ward Water Works	23,000.00
Mortgage against Wharf property South Ward Water Works	15,000.00
Interest paid and due W. G. Hopper & Co.	76,309.42
Compensation W. B.	35,000.00
Commission, W. G. H. & Co.	16,986.00
Total	$938,322.39

(Same as Ex. No. 1. 4/30/90. A. J. H.)

PAGE 312.

Statement showing cost of completed works, Mobile, Ala.

Pipe & Specials, R. D. Wood & Co.	$97,875.66
" McNeal Pipe & Fdy. Co.	206,648.83
" Dennis Long & Co.	879.10
Western Cement Association, paid from New York Office	2,625.00
Valves & Boxes, and 100 Hydrants, Ludlow Valve Manf'g Co.	8,846.40
Lead, Thos. J. Pope & Bro.	19,048.15
" O. K. Dimock & Co.	1,860.85
Tapping Machine & Fittings, H. Mueller & Sons	576.67
Boilers, Abendroth & Root Manf'g Co	8,623.02
Pumping Engines, Holly Manf'g Co.	50,000.00
Steam Fitting & Extra Piping at Pump-house	1,523.56
Bingham & Taylor, Service & Curb Boxes	650.00
Hersey Meter Company	242.00
National Meter Company	307.50
H. R. Worthington, Meters	611.15
Hemp, De Grauw, Aymar & Co.	478.45
Southern Wire Works	90.00
Pump-house, Smoke-stack, etc.	18,327.45
Impounding Reservoir, complete	47,654.20
Labor	96,450.50
Distributing Reservoir, complete	67,371.00
Land & Water Rights	12,280.00
Engineering, Rent & Small Bills	17,160.00
Interest, W. G. H. & Co.	38,816.03
Commission "	19,050.00
Compensation, W. B.	21,000.00
Total	$738,995.52

(Same as Ex. No. 1. 4/30/90. A. J. H.)

PAGE 313.

Owing to R. D. Wood & Co., various Accts., for which they hold Notes,

being shipments to Chester	$103,199.34
" Stevens Point	13,598.12
" Mobile	34.80

Interest paid to Hopper	$28,810.45
(For which they held as collateral 50 Bonds of Paducah Hotel Co.)	
" due R. D. Wood & Co., ...	3,358.31
	$149,001.02
Cash advanced, Chester & Mobile, for which Notes are given	$107,596,04
	$256,597.06

(There are some small bills due R. D. Wood & Co., for goods lately shipped to Chester and the Mobile hydrants, which are not included in above ; the shipment not being complete.)

R. D. Wood & Co.,	
hold, 10 Greencastle Bonds, at	$5,000.
10 Chester " "	5,000.
14 " " "	7,000.
	$17,000.
S. A. Dyer,	
holds, 16 Chester Bonds, (First Mortgage, So. Ward).	
25 " "	$15,869 44
Owing to W. G. Hopper & Co.,	
and accrued interest	$1,427,200.54

No. 3. *October Sessions, 1888.*

IN THE

Circuit Court of the United States,

For the Eastern District of Pennsylvania.

IN EQUITY.

The Holly Manufacturing Company

vs.

The New Chester Water Company; The South Chester Water Company; The Bienville Water Supply Company; William G. Hopper and Harry S. Hopper, trading, &c.; Richard Wood, George Wood, Walter Wood, and Stuart Wood, trading, &c.; and William Bucknell.

DEFENDANTS' TESTIMONY AND EXHIBITS.

ROWLAND EVANS,
R. L. ASHHURST,
L. F. & G. W. BOWEN,
Solicitors for Complainant.

HON. WILLIAM WARD,
Solicitor for the Water Companies.

R. C. DALE,
SAMUEL DICKSON,
Solicitors for R. D. Wood & Co.

WILLIAM C. HANNIS,
Solicitor for William G. Hopper & Co. and William Bucknell.

ALLEN, LANE & SCOTT, PRINTERS, PHILADELPHIA.

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The Holly Manufacturing Company

vs.

The New Chester Water-Works et al.

FRIDAY, April 11th, 1890, 3 P. M.

Present—The Examiner; Mr. Ashhurst, Mr. Dale, Mr. Hannis, and Mr. Ward, counsel.

DEFENDANTS' EVIDENCE.

J. FRANK BLACK, having been duly sworn, was examined as follows:—

By MR. WARD:

Q. Where do you reside?

A. Chester, Pa.

Q. Please state what, if any, official connection you had with the New Chester Water Company, and in what capacity.

A. I was connected with it in the capacity of director.

Q. When did your relation with it commence?

A. I don't recollect the exact date, but some time last spring.

Q. Can you fix it by any event occurring in the history of the company?

A. I think it was in the formation of the new board of directors in connection with Mr. Wood's management.

Q. If you can fix it by any connection of Messrs. Hopper and Wood with the company, whether it was before or subsequently to that, please do so.

A. It was subsequently to their connection with the company.

Q. State whether or not at any time you received information of any claim by the Holly Manufacturing Company against this company or upon its machinery.

(Mr. Ashhurst objects unless it is within the personal knowledge of the witness.)

The Holly Manufacturing Company

vs.

The New Chester Water-Works et al.

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A. It was subsequently to their connection with the company.

Q. State whether or not at any time you received information of any claim by the Holly Manufacturing Company against this company or upon its machinery.

(Mr. Ashhurst objects unless it is within the personal knowledge of the witness.)

Q. State what it was, how you received it, and the manner in which you received it.

A. I have no recollection of receiving any notice, excepting general public notice, that there was some trouble in connection with the water company and the Holly Company. I don't recollect the exact date; but about January, 1889, I think, was the first excitement in Chester. I had no other notice.

Cross-examined.

By Mr. Ashhurst:

Q. Your connection with the company you said began last spring, did it not?

A. That is my idea. I don't remember exactly.

Q. That was the spring of 1889?

A. The spring of 1889; yes, sir.

Q. You had nothing to do with the company before that time?

A. Not as an officer or director; no, sir.

Q. Your knowledge was only such as an ordinary citizen of Chester would have?

A. And business connections; furnishing material, &c.

Q. And you knew nothing of this matter until after the suit in this case was brought?

A. I hardly know what time the suit was brought, but the first knowledge I had was the excitement created under the suit—notices or something put up on the water company's property.

Q. Suit was brought in September, 1888?

A. This was after that.

Q. So it was some time after that when you first had any connection?

A. Yes; that is my recollection. It certainly wasn't before that.

Q. You became a director in the spring of 1889?

A. That is my recollection; yes, sir.

Q. At whose request?

A. Not at the personal request of Mr. Wood, but at the request of one of our citizens, who was supposed to bring it from Mr. Wood.

Q. Did you get any stock in the company?

A. No, sir; I think not.

Q. You never bought or paid for any stock in the company in any form, did you?

A. Well, I have had so many stocks and things in Chester that I don't recollect having any in the New Chester Water Company. I had stock, but how much or when or where I don't remember.

Q. Did you ever pay the company for any stock as a subscriber?

A. I don't recollect doing so.

Q. When you became a director was any stock put in your name to enable you to become a director?

A. I should suppose I must have owned stock to have been a director under the law, but I have no recollection of the connection.

Q. Did you ever pay for any stock?

A. I don't have any recollection of the connection with the stock business at all.

Q. Then the probabilities are that you never paid anything to anybody for any stock of the company?

A. That would be my judgment in the matter as far as my memory serves me.

Re-examined.

By MR. WARD:

Q. What recollection, if any, have you as to the fact of whether or not stock was transferred to you and you receipted for it?

A. I just a moment ago said that under the general state of those sort of things I must have had stock, but I have forgotten exactly the connection of the stock. I have no doubt I owned stock, or I could not have been eligible to the directorship, and I have some indistinct recollection of having stock transferred to me, but I have no distinct recollection now in that line. I know I was a full-fledged director; at least, I have no doubt about that, and all the connections were lived up to; but as for the other part and the details I

don't have any distinct recollection. I do recollect there being some stock transactions in connection with the directorship, in the bank, in the first little meeting we had; and I have no doubt that was the first transfer of the stock to me for the purpose of becoming a director.

Re-cross-examined.

By MR. ASHHURST:

Q. How many shares?

A. I couldn't swear to that.

Q. Have you the certificate?

A. I haven't it with me; no, sir.

(Mr. Ashhurst asks the witness to look for and produce certificate referred to, and also to see whether he paid anything for it and to whom, which the witness says he will do.)

By MR. DALE:

Q. The amount of dividends paid on these shares is not of such a sum as to leave a marked impression on the memory is it?

A. No, sir; I had no recollection whatever of any connection of that kind; but if it was worth anything I must have paid something for it, I have no doubt.

R. SHALER JOHNSON, having been duly sworn, was examined as follows:—

By MR. WARD:

Q. Where do you reside?

A. In Chester, Pa.

Q. Please state what, if any, official connection with the New Chester Water Company you had.

A. I was the acting superintendent of the company from July, 1887, until the 1st of January, 1890.

Q. In that capacity what were your duties and what was your connection with the works?

A. From the 1st of July, 1887, up to about the 20th of November, 1888, I had simply charge of the running department of the works. From that time on I had charge of the works entirely, the entire works—the new construction of the works.

Q. When was the new construction turned over to the operating department?

A. There was no formal transfer.

Q. When did you take possession?

A. About the 28th of October, 1887.

Q. State whether, at any time, you received any sort of notice of a claim by the Holly Company against the water company on account of moneys due for the pumps, or any claim of lien upon the pumps, and, if so, when.

A. The only notice that came to me, in any form, was the placing of cards upon the engines and pumps on the 20th of September, 1888, containing a notice that the pumps or engines belonged to the Holly Manufacturing Company. That was the first intimation I had of any claim.

Cross-examined.

By MR. ASHHURST:

Q. Who turned over the works to you in October, 1888?

A. I was notified by the chief engineer of the construction company, Mr. E. F. Fuller, that he was just going to leave and would like to have me take charge of the new construction.

Q. Who was this gentleman? You say you were notified by the chief engineer?

A. Mr. Fuller.

Q. Was it in writing?

A. Not in writing; it was verbal.

Q. When was that notice given?

A. It was given about the 27th of October, 1888, or very nearly that time.

Q. Prior to that time, in whose charge had the works been?

A. The running department simply, in the old works, had been in my charge, and the construction department had been in charge of Mr. Fuller and one of his assistants, Mr. Keith.

Q. In which department were the pumps in question? In the construction department?

A. The pumps were in the construction department.

Q. Therefore they were not in your charge?

A. Not in my charge.

Q. You had nothing to do with those pumps in any form?

A. No, sir.

Q. Until after he quit?

A. Until after the 27th of October, 1888.

Q. You say Mr. Fuller gave you a verbal notice. What was done following that verbal notice?

A. Simply that I took charge of the newly-completed works as well as of the old works, and the men who had been employed in the engine-house and some other places came under my pay.

Q. Was there any formal action, or how was this done? What did Mr. Fuller do, and what did you do on the 27th of October?

A. There was no formal action at all about it. He simply stated that they were going to give up their office, and recommended me to move my office up to that place and take charge of the works for the time being.

Q. Did he introduce you to the employés or say anything to anybody that you were going to take charge?

A. Nothing of the kind passed.

Q. Who did you take under your employ at that time following this action?

A. The fireman came under my employ at that time?

Q. What was his name?

A. His name was Madden, I think.

Q. He was the fireman who made the fires under the boilers?

A. Made the fires under the boilers.

Q. Who else?

A. I think there was one addition to the outside force, that is all?

Q. When you came there on the 27th of October did you find a Mr. Lockman there?

A. I did.

Q. What was he doing?

A. He was acting as engineer.

Q. Had he charge of the pumps?

A. He had charge of the engines and pumps.

Q. Did he come under your employ in any way?

A. He did not in any way.

Q. You did not attempt to control him?

A. No, sir.

Q. He did not submit to your jurisdiction?

A. I don't think there was any question whether he submitted or not.

Q. You did not pay him anything?

A. I did not pay him anything; no.

Q. He represented the Holly Company, did he not?

A. He represented the Holly Company.

Q. You found him there, therefore, when you came there, representing the Holly Company?

A. Yes, sir.

Q. And in charge of the pumps?

A. Yes, sir.

Q. And, at that time, this card or notice that you have spoken of was there?

A. A card had been placed there in September.

Q. The previous September?

A. Yes, sir.

Q. You had been employed since 1887, I think you said?

A. I have been on the running department since July 1st, 1887.

Q. Who employed you?

A. I was, previous to that time, the superintendent of the South Ward Water-Works, and my contract for work extended to the 1st of April of the next year, and that contract was assumed by the New Chester Water Company in their tripartite agreement with the city and the old works.

Q. Therefore you came over to the New Chester Company with the South Ward Works when they acquired that?

A. With the South Ward Works; yes, sir.

Q. After you came over, who paid you?

A. I was paid afterwards by Mr. Ward, the attorney of the company.

Q. Or he made the payments to you?

A. He made the payments to me.

Q. Did you pay your subordinates?

A. I paid the subordinates.

Q. Did you make out pay-rolls?

A. I made out regular pay-rolls.

Q. To whom did you make out those pay-rolls?

A. The pay-rolls were made out in the name of the New Chester Water Company.

Q. And whose check paid them?

A. Mr. Ward's check.

Q. Do you know where the money came from?

A. I do not.

Q. Whom did you turn over the money to that you earned, or your earnings?

A. A certain portion of it—the largest proportion—was sent in to the Chester National Bank. The balance was turned into Mr. Ward's hands.

Q. To what credit did you pay what you paid into the Chester Bank?

A. To the credit of the New Chester Water Company, I presume.

Q. As a matter of fact, how did you pay it?

A. Well, the payments were made in this way, as far as that is concerned: the bank received all water-rents and the water-rents are paid into the bank.

Q. The water-rents did not pass through your hands at all?

A. They didn't pass through my hands at all.

Q. They were paid by the men who used the water?

A. Paid by the men who used the water—paid to the bank.

Q. And the bank collected it?

A. Yes, sir.

Q. That is not your personal affair?

A. No, sir.

Q. What you personally collect you pay to Mr. Ward?

A. What I personally collected I paid directly into Mr. Ward's hands.

Q. How did he receipt for it? Did he give receipts for it?

A. He receipted for it in his own name, if I remember rightly.

Q. Have you any receipts?

A. I have those receipts at home.

(Mr. Ashhurst asks the witness to produce the same at some future meeting, which the witness says he will do.)

Q. Did you keep a bank account in which you deposited these earnings and paid them over to Mr. Ward?

A. No; I kept no bank account.

Q. Then, you paid over the money you received to Mr. Ward?

A. The money I received from Mr. Ward was received for definite purposes and paid out.

Q. And the money you paid to Mr. Ward you paid him in actual cash?

A. I paid him the actual money, or else by my own check, which was the equivalent.

Q. Did you make any arrangement with Mr. Lockman for the employment of a watchman?

A. I did.

Q. Who was that watchman?

A. His name was Beardsley.

Q. How was he paid?

A. He was paid for a couple of weeks half by Mr. Lockman and half by myself.

Q. What were his duties?

A He had simply charge as watchman of the engine-room for the Holly Manufacturing Company, and for us he took charge of the fires under the boilers during the night, and cleaned up the engine-room.

Q. After that you stopped paying him?

A. On the 6th of January I stopped paying him.

Q. And after that who was he paid by?

A. He was paid by Mr. Lockman, I presume; I don't know personally.

Q. And from that time he was not under your charge?

A. He was not under my charge at all. He was never under my charge.

Re-examined.

By MR. WARD:

Q. When was water first delivered from these pumps to the new reservoir?

A. On the 4th or 5th of May, 1888. About that time.

Q. State whether those pumps have continuously furnished water to the new reservoir of the New Chester Water Company from that time until the present.

A. From that time until the present, with the exception of a few days, at times; with the exception of one or two breakdowns or trouble of that kind.

Q. The first water-rent which would come due after that date in May, 1888, would be when?

A. In July, 1888.

Q. And did that semi-annual payment of water-rents take the course you have indicated?

A. It did.

Q. And it was paid into the Chester National Bank?

A. Paid into the Chester National Bank.

Q. During that period, who paid the fireman who kept up the fires that enabled the pumps to furnish the water?

A. I know nothing of that as to personal knowledge.

Q. He was not under your charge then?

A. He was not under my charge at that time.

Q. In May?

A. Not until October 27th, 1888.

Q. Who furnished the coal?

A. The coal was bought of us by the construction company.

Q. That is, your operating department charged the construction company?

A. My operating department charged the construction company for the coal furnished them for any of the pumps at that time.

Re-cross-examined.

By MR. ASHHURST:

Q. You mean the coal was paid for by Messrs. Bullock?

A. By the contractors, the construction company.

Q. You mean Bullocks?

A. Samuel R. Bullock & Co.

Q. You mean Samuel R. Bullock & Co. when you say the construction company?

A. Yes, sir; called the construction company.

Q. Samuel R. Bullock & Co. paid the men during all that period?

A. I assume so; I don't know.

Q. Until October 27th, 1888?

A. Until October 27th, 1888.

Q. I mean everybody connected with the new pumps except those who were paid by the Holly Company. They paid the fireman at the new boilers?

A. The fireman was paid by them, I think; I don't know. I have no personal knowledge as to who paid him.

Q. You did not pay him?

A. I didn't pay him.

Q. And the coal you furnished was paid for by whom?

A. By Samuel R. Bullock & Co.

Q. Do you know of any test made at any time, of the pumps?

A. No test made to my knowledge.

By MR. WARD:

Q. When the first water was turned on was there not a test then?

A. Not to my knowledge.

Q. What do you understand a test to be?

A. I understand the test to be a twenty-fours' run with the pumps, testing their capacity as to the contract requirements.

Q. And there has been no continuous run of twenty-four hours?

A. Not to my knowledge.

By MR. HANNIS:

Q. The pumps do run, though, sufficiently to supply the reservoir with water, and have since May, 1888?

A. The pumps would keep the supply up in the reservoir. It would be simply ten or twelve hours in the day, as was needed. No continuous test, no formal test of the pumps.

Q. But they did pump sufficient water to supply the citizens of Chester with water, and have since May, 1888?

A. They have pumped sufficient to supply them.

By Mr. Ashhurst:

Q. Do you remember making a report on the 1st of August, 1887, to the president and directors of the New Chester Company?

A. I make a report every month.

Q. But this report, being immediately after the turning over of the South Ward Water Company's property, was an especially full one. Do you remember making a special report on that occasion?

A. Yes, sir; there was a special report made to the board at that time.

Q. Will you look at Exhibit No. 33, P. R. B., November 14th, 1889, and say whether that is a copy of your report?

A. From what I can remember, this seems to be a copy of that report. I should imagine that was the same report.

By Mr. Ward:

Q. With reference to this agreement that Mr. Ashhurst has spoken of, which was entered into with Mr. Lockman, state whether you received any authority from the New Chester Water Company?

A. No authority from the New Chester Water Company. The matter was reported to the board of directors.

Q. How soon after was that?

A. About two weeks and four days. It was made on the 21st of December, and I received notice of repudiation of the agreement on the 6th of January.

George Rodgeman, having been duly sworn, was examined as follows:—

By Mr. Ward:

Q. Where do you reside?

A. Chester.

Q. Have you had any connection with the New Chester Water Company or the water-works there, and, if so, please state what it was?

A. I was employed there as acting assistant superintendent from July, 1887, I think it was, up until May 20th, 1889.

Q. What were your duties in that capacity?

A. Assistant to the superintendent. I had charge of the street main and all the connections.

Q. If at any time you heard of the existence of any claim against the company by the Holly Manufacturing Company, on account of money due for the construction of these pumps, or of a lien against the pumps arising on that account, please state when it was.

A. I knew nothing about anything of that kind until these notices were put up in September, 1888. I supposed everything was all right.

A. Those were the signs?

A. Those were the signs. I supposed everything was all right; never knew of any trouble between the Holly Manufacturing Company and the water company up to that time.

By MR. DALE:

Q. Prior to September, 1888, had there been any notice up?

A. No, sir; not to my knowledge.

Q. Were you there to see if such a notice had been put up?

A. I would have seen it if there had been a notice.

By MR. WARD:

Q. How frequently were you in that neighborhood?

A. In the neighborhood of the pumping station?

Q. Yes.

A. Well, I should suppose at least three times a day.

Q. Where was your old pumping station with reference to the new one?

A. Right near it.

Q. How near?

A. Within, I suppose, one hundred and fifty feet of it.

Q. State whether your duties required you to be at that station every day.

A. Yes, sir; they did require me to be there every day.

Cross-examined.

By Mr. Ashhurst:

Q. Prior to September, 1888, had you anything to do with the new pumping station?

A. No, sir; nothing whatever.

Q. Had you any charge of the machinery there?

A. No, sir.

Q. Did you know anything of the relations between the contractors, Messrs. Bullock & Co., and the water-works?

A. I did not.

Q. Did you know whether any part or all of these works were paid for or not?

A. I did not know.

Q. Was it any of your business to know anything about anything of the kind?

A. No, sir.

Q. Did you know Mr. Lockman?

A. I did.

Q. Do you know when he came there?

A. Yes, sir.

Q. When was that?

A. I just couldn't tell you the date, but I think somewhere about Christmas of 1887. I just don't remember the date.

Q. Was he there continuously after that time?

A. I think he was. I am sure he was.

Q. Do you know what he was doing?

A. He came there, as other men employed by the Holly Manufacturing Company, to erect those pumps.

Q. He remained there continuously, did he not?

A. I think he did. I don't remember his being away any time.

Q. He was in charge of those pumps?

A. He wasn't in charge when he first came there.

Q. From the time they began working?

A. He was from the time they began working.

Q. Do you know of anybody interfering with or controlling him?

A. No; I do not.

Q. Neither you nor Mr. Johnson had any control over him, had you?

A. No, sir.

Q. And you knew him as the representative of the Holly Company?

A. That is it.

Q. Do you remember any test ever being made of those pumps?

A. I never heard of any, nor never saw any.

Q. Do you remember the new construction machinery being turned over by Messrs. Bullock to the New Chester Water Company?

A. No, sir.

Q. You do not remember anything about that?

A. No, sir.

Q. Did you, at any time, begin to take any charge of the new machinery?

A. No, sir.

Q. You never did?

A. No, sir.

Q. You never had anything to do with it?

A. No, sir.

Q. Whom did you receive your pay from?

A. Mr. Johnson.

Q. Had you anything to do with Mr. Bullock, the contractor?

A. I never met him personally.

Q. And never were under his direct control?

A. Well, I suppose I was, but then I never met the gentleman.

Q. Do you know Mr. Waltman?

A. No, sir.

Q. Do you know Mr. Fuller?

A. Yes, sir.

Q. Were you under his control or superintendence?

A. I never considered so.

Q. You considered Mr. Fuller's department and Mr Keith's entirely distinct from yours?

A. Yes, sir.

Q. And your charge was the old works?

A. The old works.

Q. The old South Ward works?

A. Yes, sir.

Q. Had you been in the South Ward works before they passed to the New Chester Water Company?

A. Yes, sir; I was there in March 26th, 1877.

Q. And you came away with the old South Ward works when they were acquired by the new company?

A. Yes, sir.

Q. The same as Mr. Johnson did; did you not?

A. Yes, sir.

By Mr. Dale:

Q. When did the new pumps go into operation?

A. The first water pumped by the new pumps was on May 4th, 1888.

Q. From that time was that pumping continuous?

A. No, sir; they only pumped to about ten pounds pressure that day, and on May 8th they pumped to the reservoir.

Q. And from that time did they continue to pump regularly?

A. Well, no; it wasn't continuous after that. They off and on would pump some little while during the day; it wasn't continuous, at that time.

Q. But they would pump every day somewhat?

A. They would pump. Well, once in a while. I don't know that they pumped every day; I just don't remember about that, but they did pump.

Q. They pumped very frequently.

A. Very frequently.

Q. When did they pump with entire regularity?

A. With entire regularity they pumped somewhere about May 23d, I think.

Q. And from that time on continuously?

A. That was the first time water was supplied to any portion of Chester—from May 25th.

Q. But from that time they pumped continuously?

A. Well, say from the first of June 1888. From that time.

Q. From the 1st of June, 1888, the first pump pumped continuously?

A. Yes, sir.

Q. When did the second pump go into operation?

A. I don't remember when the second pump went into operation. I just can't say that. I don't think it was a great while afterwards; I just don't remember how long after.

Q. Before the 1st of August?

A. Oh, they were both, I think, working before the 1st of August, or by the 1st of August; both of them.

Q. From that time on were the old pumps used?

A. I don't think they were. They were used some little after that time, but very little.

Q. The new pumps became the main pumping force for the water-supply of Chester?

A. Yes, sir. It was turned on, from district to district, right along after the 23d of May.

By Mr. Ward:

Q. State whether or not you took charge of the new pipe system, in connection with Mr. Johnson in the operating department, and, if so, when?

A. I don't remember exactly. Some time in October. I don't remember just the date, but some time during October. Mr. Keith, the assistant engineer, took me to the reservoir one day and gave me to understand that he was going to turn it over to me that day, but I don't remember the date; but it was some time during October. He said he was going away the next week.

By Mr. Ashhurst:

Q. October 1888?

A. Yes, sir. He took me up there to instruct me as to the reservoir, its condition, and the manner of operating the valve, and one thing and another like that.

Adjourned until Friday, April 18th, 1890, at 3 o'clock P. M.

FRIDAY, April 18th, 1890, 3 P. M.

Present—Messrs. Hannis, Ward, Ashhurst, and Dale, of counsel.

(Mr. Ward produces on behalf of Mr. Johnson, the witness examined at the last meeting, samples of two different kinds of receipts referred to in his testimony, which papers are marked "A and B, April 18th, 1890.")

WILLIAM H. MILLER, having been duly sworn, was examined as follows:—

By MR. WARD:

Q. What official position, if any, did you occupy with regard to the New Chester Water Company?

A. Secretary since the date of the organization.

Q. Has that continued until the present time?

A. It has.

Q. When did you first receive any notice, if you received any, of a claim made by the Holly Manufacturing Company to have a lien against or a claim upon the pumping engines in use at the works of the New Chester Water Company?

A. Very lately. I couldn't tell you the date. I don't remember it. It has been since the assignment of Mr. Bullock to Mr. Wood. I knew nothing about it prior to that.

Cross-examination.

By MR. ASHHURST:

Q. You have already been examined in this case?

A. Yes, sir.

Q. Where were you during this time—in Philadelphia or Chester?

A. In Philadelphia.

Q. Did you visit Chester often?

A. Not during the progress of the work.

Q. Did you know that the Holly Company were making pumps for this work?

A. I may have heard of it during the time, but I did not know anything about it.

Q. You had no knowledge whatever of the business of the construction, nor anything about it?

A. No, sir; I had nothing at all to do with it.

Q. Do you know of any acceptance by the company of the work from the contractors?

A. I don't know anything about that at all.

Q. Did you ever hear of the work having been turned over to the Chester Company?

A. I heard nothing about that, either.

Q. Did you know at all of the payments the contractors were making—how much they had paid for it?

A. No, sir; I had nothing whatever to do with that.

Q. Had you any knowledge of what funds the contractors had at their disposal from the company, or how far they were able to make payments?

A. No, sir; I had nothing whatever to do with it.

Q. Your duties were entirely disconnected from anything of that kind?

A. Yes, sir; I was simply the secretary of the corporation.

SAMUEL A. DYER, having been duly sworn, was examined as follows:—

By MR. WARD:

Q. Where do you reside?

A. In Chester.

Q. If you had any official connection with the New Chester Water Company, please state what it was, and when it commenced, and how it continued.

A. I don't remember just how long it has been. I am a director in that company.

Q. Do you still continue to be a director?

A. Yes, sir.

Q. Is there any event by which you can fix the date when you were elected to the board?

A. No; I could ascertain that if I was at home, but I cannot tell at the present time.

Q. State at whose instance you became a member, if you recollect.

A. I don't recollect it.

Q. Can you in any way associate your connection with the company with Messrs. Wood and Hopper?

A. I think I was elected at the same time with Messrs. Wood and Hopper. That is my recollection; I don't remember the date.

Q. Since you have been in that position, if at any time you heard of a claim made by the Holly Manufacturing Company to have a lien upon the pumping engines, or to have a claim for money against the contractors for constructing the pumping engines, please state when you heard it, if you did hear it.

A. I think the first information I got was something in the shape of an attachment, or something that was served upon us at the bank—a foreign attachment—a legal proceeding of some nature. That was the first information I had of it.

Q. Have you that notice with you?

A. I have not. It was not served on me personally. It was served at the bank.

Cross-examination.

By MR. HANNIS:

Q. Are you sure whether that was the Holly Manufacturing Company or the McNeal Pipe Company that you are speaking about in relation to the attachment matter?

A. I am not positive about that. I rather incline to think there were two attachments; but I remember distinctly the McNeal attachment. Possibly I may be mistaken about the other. I knew nothing of the suit, or anything, until it became talked of on the street there. I did not know of any claim that they had against the company until I heard it, either by this notice or else by talk on the street.

Q. What notice do you refer to?

A. Either the attachment notice to the bank or else the common talk on the street.

By MR. ASHHURST:

Q. What bank do you refer to?

A. The Sixth National Bank, of which I am president.

Q. Was it before or after you became a director in the New

Chester Water Company that the attachment was served upon the bank?

A. I am rather inclined to think that the attachment of McNeal was before I became a director. I am not positive about that. I won't say positively that there was an attachment served by the Holly Company. I have just got it in my head that there was, but I have no distinct recollection of it.

Q. In thinking over the matter, state whether you became a director until after Bullock & Co. failed.

A. No; I think it was after they failed.

Q. Did you not become a director some time in the winter of 1889?

A. I don't remember the time at all. I can't recall it.

Q. Wasn't it after October, 1888?

A. I can't tell you when it was; I don't remember.

Q. When you became a director did you acquire any stock?

A. Yes, sir; I was a stockholder before I became a director.

Q. How did you get your stock?

A. I got it for value.

Q. From whom?

A. I rather think it was from Mr. Bullock; I am not sure. It did not come from Mr. Bullock to me direct, but I think it came from Mr. Bullock; that was the understanding.

Q. What did you give for it?

A. I don't remember.

Q. Was it money?

A. No, sir.

Q. What was the nature of the value?

A. Services to Mr. Bullock, I suppose, more than anything else.

Q. How much stock did you have?

A. Ten shares.

Q. Do you know when it was transferred to you?

A. No, sir; I can tell by the certificate.

Q. Have you that certificate?

A. Yes.

Q. That was before you became a director, was it not?

A. Yes, sir.

Q. Before you became a director, did you know anything about the details of the matter?

A. No, sir.

Q. Do you know at all who Messrs. Bullock & Co. had contracts with for erection?

A. No, sir.

Q. Or whether they had paid or not?

A. No, sir.

Q. Had you knowledge of what funds Messrs. Bullock & Co. had from the water companies to make payments with?

A. No, sir; I didn't know anything about the affairs of the company at all at that time.

Q. Had you ever visited the works while the construction was going on?

A. No, sir.

Q. Did you not know who had put up the pumps?

A. No, sir.

Q. You had no knowledge of the matter other than as an ordinary citizen of Chester?

A. That is all.

Q. And because the bank, of which you were president, did some financial arrangements for them?

A. The bank never did any financial arrangements, excepting the transfer of the two companies there.

Q. They had had some arrangements as to the transfer of the South Ward Water-Works, hadn't they?

A. Yes, sir.

Q. In that you simply acted as an agent, I suppose—the bank had no direct interest in the matter, had it?

A. Well, I suppose the bank had some interest in it; that is, some interest in the transaction, of course. They were paid for their services. There was no other arrangement.

Q. They collected the water-rents?

A. Yes, sir.

Q. Who did you pay those water-rents over to?

A. At one time receipts were drawn out or checks signed by Mr. Waltman, treasurer. At other times they were drawn

by Mr. Wood as treasurer—at least, orders signed in the proper way were charged against the account the same as checks.

Q. Do you remember there being anybody else?

A. No, sir; no one ever drew anything, except in that way—those two gentlemen.

Adjourned to 3 P. M., Wednesday, April 23d, 1890.

WEDNESDAY, April 23d, 1890, 3 P. M.

Present—Messrs. Dale, Hannis, Dickson, Bowen, and Ashhurst, of counsel.

WALTER WOOD, having been duly affirmed, was examined as follows:—

By MR. DALE:

Q. You are one of the defendants in this case?

A. I am. I reside in the city of Philadelphia.

Q. What is the name of your firm?

A. R. D. Wood & Co.

Q. Who are the partners composing that firm?

A. Richard Wood, George Wood, Walter Wood, and Stewart Wood.

Q. Has that same firm been in existence since prior to January 1st, 1887?

A. Yes, sir.

Q. Do you know Samuel R. Bullock & Co.?

A. I know Samuel R. Bullock. Mercer, who was a partner, I may have seen, but I hardly recall seeing him.

Q. Has your firm ever had business with the firm of Samuel R. Bullock & Co.?

A. We have done a great deal of business with them first and last, covering a long number of years—a series of years.

Q. Please state under what circumstances you engaged in business transactions with them in connection with the construction of the water-works at Chester.

A. Early in 1887 we sold to Samuel R. Bullock & Co. the pipes and fittings which they were going to use at Chester, and

were engaged in supplying them through the spring and early summer months of that year. Their first payments were met promptly, as had been their custom, but their May payment they were slow in making. The June payment they only paid a portion of. The July payment they did not pay anything, except after constant solicitation they gave us some notes. They did not pay cash, as called for in the contract.

Q. Up to that time, how had the indebtedness of Samuel R. Bullock & Co. to your firm been contracted?

A. It had been contracted in the ordinary course of business, sometimes by some of our salesmen seeing them personally, and sometimes by letter.

Q. For what articles?

A. Pipes and their fittings. We may have sold them some hydrants, but probably very few.

Q. On the first of August, 1887, how much was the indebtedness of S. R. Bullock & Co. to your firm?

A. I cannot say positively. My memorandum does not give the amount exactly. It was from $30,000 to $50,000 probably.

Q. There being an indebtedness of about that amount by S. R. Bullock & Co. to your firm, please state what steps were taken by you for recovering or securing to yourselves the amount due you.

A. We pressed Mr. Bullock for payment, and in doing so he told us that he was relying upon his advances—relying upon money to be advanced to him by Messrs. Hopper & Co. against his securities; that they had not made advances as he had expected, and consequently he had no ready means with which to pay us. We pressed him, of course, for payment, and that brought Messrs. Hopper and ourselves together. We urged upon them the position that we held, being the furnishers of the material, and they being the holders of all the securities of the company. We found that they were unwilling to make any further advances to Mr. Bullock, and there was an assignment which Mr. Bullock gave us to secure us the margin that might be in the securities in Messrs. Hopper's hands. That brought about a negotiation as to the

means of completing the works, and it was finally agreed that we should furnish a certain amount of castings which were necessary to complete the works, and that they should furnish a certain amount of money which was to complete them.

By MR. ASHHURST:

Q. Was that agreement in writing?

A. Yes, sir.

By MR. DALE:

Q. Do not state the contents of the agreement, but simply the course of negotiations leading up to it.

A. The agreement was that the work was to go on to a finish.

Q. During what length of time did the negotiations between yourselves and S. R. Bullock & Co. and W. G. Hopper & Co. continue?

A. Roughly speaking, I should say they ran over some weeks. The exact date when I saw Mr. Hopper I cannot tell.

Q. When were those negotiations consummated?

A. They were put into an agreement, I think, in October.

Q. The agreement to which you refer is the agreement which has already been offered in evidence, known as the tripartite agreement?

A. Yes, sir.

Q. What representations were made to you by Mr. Bullock in the course of that negotiation as to the amount needed to complete the works at Chester, Mobile, and Greencastle?

(Objected to.)

A. Mr. Bullock stated and brought me a written statement of what it would cost to complete the different works, and, being pressed by myself as to its correctness, he said that it was taken, first, from an engineer's statement, and that there was no doubt about its being correct. It amounted, roundly, to $200,000.

Q. That was the same amount as the amount specified in the tripartite agreement which Hopper & Co. agreed to advance?

A. Yes; it was the same amount.

Q. What amount, in fact, did it take to complete the works?

A. We advanced $105,000 to Mr. Bullock, and Mr. Hopper advanced $200,000. There are some bills of Mr. Bullock's still unsettled.

Q. In the amount of bills unsettled is included a claim of the Holly Company upon these pumps at Chester and upon the pumps at Mobile?

A. Yes, sir.

Q. Amounting at Chester to what sum?

A. The claim at Chester is, I think, about $41,000, and at Mobile about $25,000. Then there are other claims which amount to about $15,000 to $25,000, in the aggregate. There are a number of other claims not included in what I have stated.

Q. At the time of the making of the tripartite agreement, please state whether or not there was any other agreement made between S. R. Bullock & Co. and your firm with reference to your firm being compensated by him for your services in the matter.

A. Mr. Bullock expected to have his stock and a portion of his bonds left after he had sold them, and he agreed to give us a portion of them.

Q. After the execution of the tripartite agreement, please state how the business of completing the work at Chester was conducted.

A. Mr. Bullock had his engineers at Mobile and at Chester, and they had supervision of the work, as they had in the past before that time. They were in charge afterwards in the details of its completion, and supervised the works until they were declared finished by Mr. Bullock.

Q. What part did Mr. Bullock take in the completion of the works after the making of the tripartite agreement?

A. He had charge of the direction of his engineers just as he had before.

Q. Please state whether or not there was any other change in the conduct of the business after the tripartite agreement from the manner of conducting it before. I mean in doing the work.

A. No, sir; none at all on the ground. Mr. Bullock had complete charge of doing the work on the ground.

Q. What part, if any, did R. D. Wood & Co. take in the completion of the work?

A. We furnished the pipe that was necessary at Chester, and when it was evident that Mr. Bullock had payments which he could not meet we advanced him some money.

Q. Please state what moneys you did, in fact, advance to Mr. Bullock for the completion of the works at Chester, after the execution of the tripartite agreement.

A. He was drawing money which was used at Chester and Mobile. I have separated that on the books, except one payment. The payments for Chester amount to approximately $61,000.

Q. Please give the dates and amounts paid on account of Chester?

A. February 1st, 1888, $4098; February 15th, $1413.47; February 28th, $1340.40; March 16th, $3294.67; March 28th, $1095; April 11th, $4008; April 25th, $2725.75; May 7th, $6666.18; May 23d, $8006.30. (Part of that was applied probably by him to Mobile. I cannot give you the exact figures.) June 6th, $3202; June 20th, $5081.48; July 3d, $3875; July 18th, $4054.13; August 1st, $2510.25; August 14th, $2680.20; August 28th, $2076; September 12th, $4752.90.

Q. What moneys after the date of the tripartite agreement did you advance to Mr. Bullock on account of the construction at Mobile?

A. Approximately $45,000.

Q. Please give the dates and amounts?

A. February 1st, $4222; February 15th, $4615.55; February 28th, $3812.65; March 19th, $4038.85; March 28th, $4253.95; April 12th, $4900.25; April 25th, $4487.25; May 7th, $4292.30. (There was some advance to him for Mobile on May 23d, the exact amount of which I cannot tell.) June 6th, $5087.15; June 20th, $4258.50; July 3d, $930.

Q. What moneys, if any, did you advance towards the completion of the work at Greencastle?

A. None at all.

Q. In what manner did you make such advances as were made by you?

A. The advances were made because Mr. Bullock represented that he had not the necessary means.

Q. State the mode in which you made them.

A. We required Mr. Bullock to state clearly why he needed the money, and for what purpose he was going to apply it. We advanced him no money unless those statements were made to us.

Q. Did you then draw your own check?

A. Yes, sir.

Q. To whom?

A. I presume it was drawn to his order and taken to New York and cashed. We may have given him New York funds sometimes.

Q. Did you or your firm personally attend to the appropriation of this money towards the payment of Mr. Bullock's debts?

A. No, sir; we had nothing to do with the appropriation of the money.

Q. What collateral did Mr. Bullock give to your firm to secure you for the advances thus made by you, and the indebtedness previously contracted?

A. The assignment which he gave as against the securities in Messrs. Hopper's hands stood, and he gave us assignments on certain bonds which were in the hands of the First National Bank of the city of New York.

Q. When did S. R. Bullock & Co. finally break down?

A. In November, 1888, I believe.

Q. What then occurred between you and them?

A. I went over to New York and told Mr. Bullock that having so little security for the money we had advanced him, I wished him to give us anything that he could to secure us, and he gave us a further assignment of equities that he had in certain securities which were already hypothecated for money.

Q. Please state whether or not out of those other securities you have yet realized any considerable amount in cash.

A. The First National Bank of New York had securities in certain companies in which Mr. Bullock had also given us securities, and *vice versa*. It seemed desirable to disentangle the interests in the different companies, which was done, and they paid us $35,000.

Q. In consideration of that payment what did you do?

A. We released securities that we had in certain companies to them, and they released securities that they had in other companies to us.

Q. In addition to the moneys advanced by your firm after the date of the tripartite agreement to Samuel R. Bullock & Co., please state whether or not your firm furnished towards the construction of the works at Chester any material, and, if so, what and to what amount.

A. My recollection is that we furnished about $50,000 worth more of castings.

Q. Were those water-pipe castings?

A. Yes, sir; fittings.

Q. When did you first have any information of a contract made between S. R. Bullock & Co. and the Holly Manufacturing Company?

A. Knowledge of that contract came to us through Mr. Bullock sending to R. D. Wood & Co. a paper which the Holly Company had prepared regarding the pumps at Chester. As the paper referred to a contract that he had made with the Holly people, we called upon him for a copy of the contract. That was the first time we saw the contract.

Q. When was that?

A. In May or June, 1888.

Q. What action, if any, did you take upon the paper which was presented to you through Mr. Bullock?

A. I handed it to the attorney of the New Chester Water Company, and I believe he returned the paper to Mr. Bullock accompanied with another one.

Q. Were either of the papers—that is, the one brought by Mr. Bullock, or returned through him—ever executed?

A. Not to my knowledge.

Q. When next did you hear anything about the contract of the Holly Company with reference to these pumps?

A. The next I heard about the contract was quite late in the year, and after they had put up a notice at Chester claiming ownership.

Q. What were the circumstances under which you heard of the contract then?

A. As Mr. Bullock had failed, and the duty of saving what could be saved of his property came upon his creditors, and seeing this notice on the pumps at Chester, I advised myself of why it was there and under what right the Holly Company had put it there.

Q. In the interval what interviews, if any, had you had with Mr. Bowen with reference to a claim of the Holly Company upon these pumps?

A. Mr. Bowen and Mr. Hildreth of the Holly Company called on us in July, or early in August, and asked us if we would not pay the amount of money which Mr. Bullock owed them, saying that they had furnished the material, and considered that, having furnished the material, they were entitled to a lien for material, the same as I considered I was entitled to a lien for material which I had furnished. I told both Mr. Hildreth and Mr. Bowen that R. D. Wood & Co. did not consider themselves responsible for Mr. Bullock's debts, and that we could not assume the payment of them. They wanted to know if we would not in some way relieve them of the indebtedness—it was talked of their discounting it—but nothing came of the suggestion and the account stood as against Mr. Bullock as before.

Q. Where did you have interviews with Messrs. Bowen and Hildreth upon that subject?

A. I saw them two or three times in Philadelphia, once in New York, and once in Atlantic City.

Q. Who was present at the interview in New York?

A. Mr. Bullock, Mr. Hildreth, Mr. Bowen, and myself. It is my recollection that it was one of a series of interviews which took place between us, Mr. Hildreth and Mr. Bowen being desirous of R. D. Wood & Co. paying Mr. Bullock's

indebtedness, and consequently they called on me, as I say, several times. The interview in New York was of the same general character as the others, and in discussion there Mr. Bullock mentioned an agreement with Mr. Hopper and ourselves. Mr. Bowen received the suggestion with surprise, and at once asked me to let him see a copy of that agreement, which I declined to do.

Q. When was that interview?

A. It was early in August, 1888.

Q. Up to that time were you in the habit of visiting the works at Chester?

A. No.

Q. How often had you been there?

A. Once or twice on Sunday afternoon I had taken the train and gone down to Chester and looked at the pump-house, but I never saw anybody there, and never talked to anybody down there about it.

Q. Please state whether or not, prior to the time when Mr. Bullock informed you of the character of the contract between himself and the Holly Manufacturing Company in May or June, 1888, you had any information as to the nature of that contract.

A. No information at all, excepting that he had bought some pumps of the Holly Manufacturing Company.

Q. Please state whether or not up to that time you had been in any way informed that the Holly Manufacturing Company claimed to have any lien upon the pumps delivered to the Chester Water Company.

A. I had no information of any lien.

Q. Please state whether or not any of your partners have had anything to do with the general conduct of this Chester Water-Works business.

A. All the details have fallen upon myself. None of the others have had any charge of it, or done anything about it.

Q. In Mr. Bullock's testimony-in-chief, he has testified that some time during the year 1887 he furnished Messrs. Hopper & Co. and yourselves with copies, or a copy, of the contract between his firm and the Holly Manufacturing Company.

State whether or not Mr. Bullock did furnish you or Messrs Hopper & Co., to your knowledge, with a copy of such contract.

A. He never furnished such a copy in 1887.

Q. Please state whether or not since the giving of his testimony Mr. Bullock has made any statement to you inconsistent with the testimony which was given?

(Objected to.)

A. Mr. Bullock told me that he had no positive recollection of doing so; that he spoke from inference.

Q. When did Mr. Bullock make that statement to you?

A. Some time ago; some weeks ago.

Q. Where was it made?

A. In New York.

Q. Repeat as nearly as you can just what Mr. Bullock said to you on that occasion?

A. Mr. Bullock said that he presumed he had shown us the copy of the contract of the Holly Company; that that was his impression, but that he was not in a shape to say that it was absolutely the case.

Cross-examination.

By MR. ASHHURST:

Q. You have mentioned that when you made the tripartite contract in 1887, or about that time, Mr. Bullock furnished you with a statement of the amount required to complete the works at Chester and Mobile.

A. Yes, sir; in writing.

Q. Will you kindly produce it?

(Witness hands same to counsel, and it is marked "Exhibit A, April 23d, 1890.")

Q. I observe in this statement, handed to you at that time, that in the statement as to the Bienville Water Supply Company was included an item of pumping machinery, $47,000. Did you know at the time to whom that would be due and payable?

A. He told me the contract for that pumping machinery was made with the Holly Manufacturing Company.

Q. That $47,000, part of the $72,000, you understood would be due to the Holly Manufacturing Company?

A. That was the amount that he rendered as due the Holly Manufacturing Company.

Q. Then, out of the $72,000 which you expected to supply to complete the works of the Bienville Water Supply Company, you expected that $47,000 would be required for the Holly Manufacturing Company?

(Mr. Dale desires to note an objection to the form of this question, because it is based upon a misapprehension of the testimony previously given, the tripartite contract being that Messrs. W. G. Hopper & Co. should supply the funds necessary; and that, therefore, a question based upon the expectation of this witness to supply the money needed to complete it, is based upon a misapprehension of the testimony.

MR. ASHHURST (to the witness):—

Q. From this statement did you understand that $72,000 was to be supplied under the tripartite agreement for the completion of the works of the Bienville Water Supply Company?

A. Approximately that sum.

Q. That out of that $72,000, $47,000 would be required to pay for the Holly machinery, leaving a balance of $25,000 to be expended for other purposes?

A. The statement which Mr. Bullock made, of $72,000 necessary to complete the Bienville Water Supply Company, contained $47,000 for pumping machinery.

(Question repeated.)

A. I charged myself with no responsibility as regarded the application of the fund.

Q. In the same statement the total required to complete the works of the Chester Company was estimated at $98,000, was it not?

A. Yes, sir.

Q. And that amount was expected to be provided under the tripartite agreement, was it not?

A. That was part of the $200,000 required to complete the work.

Q. Under the tripartite agreement?

A. $200,000 under the tripartite agreement was the money to be advanced.

Q. And that was expected under the calculation made at that time to complete the work, was it not?

A. That was the expectation.

Q. Of that $98,000, $50,000 was expected to be paid for pumping machinery, was there not?

A. Mr. Bullock inserted an item of $50,000, and, as I said before, we made ourselves responsible in no way for the application of the money.

Q. Did you not understand that that $50,000 was to be applied for the pumping machinery, according to his statement?

A. No.

Q. Did he mention from whom that pumping machinery included in that statement was to be obtained?

A. The Holly Manufacturing Company.

Q. This estimate of $98,000 was based upon an expected payment, was it not, of $50,000 to the Holly Manufacturing Company?

A. Yes, sir; the estimate.

Q. The advances that were made, I have understood you to say, were made always specifically for specified purposes, were they not?

A. Mr. Bullock made a statement to us of needing money to pay certain accounts which were pressing, and we gave him money for that purpose.

Q. What was the form in which the money was advanced by Messrs. Hopper under the tripartite agreement?

A. My recollection is that Messrs. Hopper gave us their check, and we gave our check to Mr. Bullock.

Q. Did you request Messrs. Hopper to advance a certain amount at a certain time under the tripartite agreement?

A. When Mr. Bullock requested funds, we sent the statement to Messrs. Hopper.

Q. These requests for funds by Mr. Bullock always stated, did they not, the purpose to which it was proposed to apply those funds?

A. Yes, sir.

Q. Have you those requests?

A. Some of them I may have; I haven't them here, and I would be at a loss to know exactly where to put my hands on them.

Q. I request you to make diligent search for them, and to produce them at the next meeting, if possible. In those requests how much was asked by Messrs. Bullock & Co. for the purpose of pumping machinery?

A. That I could not say from memory.

Q. Will you please examine so as to be able to answer that question at the next meeting?

A. I will try to do so.

Q. Did he ever apply as to the Chester Company for more than $8333, the first payment?

A. My recollection is that that was what he asked for. I would have to refresh my memory to be certain about that.

Q. How much did he make requisition for for Chester?

A. I have no recollection of that.

Q. How much did the Messrs. Hopper advance for Chester, through you, under the tripartite agreement?

A. I could not tell you how much was applied of the Hopper advances to Chester.

Q. Have you no means of answering that question?

A. The requests that Mr. Bullock made for money would be my only means.

Q. Would you send those requests to Messrs. Hopper, or would you keep them yourselves and send them a copy?

A. I really can't say whether I kept those which covered Mr. Hopper's advances, or not.

Q. Did you make any advances yourselves beyond the amount provided for in the tripartite agreement?

A. The tripartite agreement provided for $200,000. Mr. Bullock represented that he had things pressing upon him, and we advanced for Mobile and Chester $105,000. Messrs. Hopper advanced $200,000 under the tripartite agreement, and after that had been advanced Mr. Bullock found himself unable to meet his engagements, and we gave him some money.

Q. Under the Bienville contract you said awhile ago that you believed $25,000 was left due the Holly Company on those engines.

A. That is my recollection.

Q. Therefore, out of $47,000 included in that estimate, $22,000 was paid.

A. That would be apparently so.

Q. And $25,000 unpaid?

A. Apparently.

Q. When you had these estimates for two companies, amounting to $98,000 and $72,000, making together $170,000, including $97,000, or more than half the amount to be due to one party, the Holly Manufacturing Company, did it not attract your attention that in making this advance of $105,000 yourselves and obtaining the $200,000 from Messrs. Hopper & Co., being therefore an amount $130,000 beyond the estimate, that you were not paying the Holly Company, which was included in that estimate?

A. I did not consider myself bound to pay the Holly Company.

Q. Did you not notice the fact—was not your attention attracted to it?

A. I knew Mr. Bullock was not paying the Holly Company's bills, just like he was not paying a great many other bills.

Q. Did you not think it surprising, you being called upon to pay a variety of bills not included in the estimate, and leaving unpaid the largest part of the original estimated expenses?

A. The items that Mr. Bullock asked us to give him money to pay were pressing daily items, such as wages and small supplies, which he could not obtain credit for. I was not surprised at his being pressed for those.

Q. Did you not notice, from time to time through the winter, that this, the largest portion of the estimate, was being left unpaid?

A. I knew that Mr. Bullock was not paying all of the Holly Company's claim.

Q. Did you not know that he was hardly paying any of it?

A. I probably knew what he was paying, because the papers showed what he expected to pay them.

Q. Did you not know when Mr. Bullock made the payment in Mobile about the 1st of April for the Bienville Company to the Holly Company?

A. I probably knew of it.

Q. Were you consulted on the subject of Mr. Bullock asking for that to be applied to the first engine?

A. No, sir.

Q. Did you not urge him to insist upon its being so applied?

A. I have no recollection of such a thing being mentioned between us.

Q. You knew nothing about how it was applied, and took no interest in that application?

A. Mr. Bullock has mentioned in his testimony items about those payments, which came to me as news after the payment was made.

Q. I will now ask you to produce a statement showing in detail the amount which you obtained from Messrs. Hopper & Co., as well as the amount advanced by yourselves, and also the requisitions showing the purposes for which Messrs. Bullock & Co. asked this application.

A. Messrs. Hopper & Co. advanced $200,000. I have stated what money Mr. Bullock asked us to give him to help him along. The papers that you asked for—that is, Mr. Bullock's requests for money—I shall try to find.

Q. Please look at page 214 of the book of specifications heretofore produced by Mr. Bullock. Have you the original of that statement?

A. I can't say whether I have or not.

Q. Will you make search and see if you can find it?

A. I will.

Q. Please look now at page 156 of the same book, and state whether you have the original of that paper.

A. That I cannot tell you.

Q. Look also at pages 157, 158, and 169, and answer the same question as to those.

A. I can't tell you about those, either.

Q. Turning to page 191, headed "Amount required to complete works of New Chester Water Company, exclusive of pipes and specials," is that a copy of the paper which you have just produced in answer to my question, and which has been marked "Exhibit A, April 23d, 1890"?

A. Apparently it is.

Q. Please look at page 193 of the same book. Is that, apparently, a copy of the other part of Exhibit A., April 23d, 1890, referring to the Bienville Water Supply Company?

A. It is, apparently; yes, sir.

Q. Turning, in the same book, to page 207, I call your attention to press copy of letter addressed to R. D. Wood & Co. by Samuel R. Bullock & Co., under date 26th October, 1887. Is that one of the requests to which you have referred?

A. Very possibly it is. I cannot identify it.

Q. Will you please produce the original of that paper?

A. I will if I can.

Q. Turn now to page 208, being letter-press copy of a letter from Samuel R. Bullock & Co. to R. D. Wood & Co., dated November 7th, 1887. Have you the original of that letter?

A. That I can't say.

Q. Will you please look for it and produce it if you can?

A. I will.

Q. Please look at the form of it and state whether that is the form in which those requests were habitually made to you.

A. That was probably the form. The detail has passed entirely from my mind.

Q. Turn now to page 211, being letter from Samuel R. Bullock & Co. to R. D. Wood & Co., dated November 21st, 1887. Have you the original of that letter?

A. That I can't say.

Q. Is that the form in which those requisitions were usually made?

A. It appears to be so.

Q. On pages 212 and 213 appears another letter, dated December 5th, 1887, addressed to Messrs. R. D. Wood & Co. by Samuel R. Bullock & Co. Is that in the form in which those letters were usually written?

A. Apparently.

Q. Have you the original of it?

A. I will look for it, and will produce it if I can find it.

Q. At page 215 there appears a letter dated December 19th, 1887, signed "Samuel R. Bullock & Co.," addressed to R. D. Wood & Co. Is that in the customary form of these requests?

A. Apparently.

Q. Have you the original of that letter?

A. That I can't say.

Q. Turning to page 219, please state whether the press copy of letter from Samuel R. Bullock & Co. to Messrs. R. D. Wood & Co., dated January 3d, 1888, is in the form in which requisitions were customarily directed to you.

A. It is.

Q. Have you the original of that paper?

A. Possibly. I will produce it if I can find it.

Q. On page 230 I find another letter, dated January 16th, 1888, from Samuel R. Bullock & Co. to Messrs. R. D. Wood & Co. Is that in the form in which these requests were customarily made to you?

A. Apparently it is.

Q. Have you the original of that letter?

A. Possibly. I will produce it if I find it.

Q. Can you say from memory whether you received it or not?

A. I presume I received the request. I have not any distinct recollection of it, of course.

Q. On page 240 of the same book there appears a letter, dated January 31st, 1888, addressed to Messrs. R. D. Wood & Co., and signed by Samuel R. Bullock & Co. Is that in the form in which those requisitions were usually presented?

A. That is apparently the way that Mr. Bullock gave us a memorandum of his necessities.

Q. Have you the original of that paper?

A. I will look and see.

Q. Can you say from memory whether you received that letter?

A. I have not any immediate recollection of the receipt of it, though I probably received it.

Q. On page 245 there appears a press copy of letter, dated February 14th, 1888, addressed to Messrs. R. D. Wood & Co. by Samuel R. Bullock & Co. Can you state whether that is in the customary form?

A. It is, apparently.

Q. Have you the original of that document?

A. Possibly.

Q. Can you say from memory whether you received that paper?

A. I have not any immediate recollection of it, but I presume I received it.

Q. On pages 269 and 269½ there appears copy of letter, dated February 27th, 1888, addressed to R. D. Wood & Co., and signed "Samuel R. Bullock & Co." Does that appear in the customary form of Messrs. Bullock's requisitions on you?

A. Apparently; yes, sir.

Q. Have you the original of that letter?

A. Possibly.

Q. Can you say from memory whether you received it?

A. I have no individual recollection about it.

Q. On page 271 I find another similar letter. Is that in the customary form?

A. Apparently.

Q. Do you remember that letter?

A. I have not any individual recollection of that particular letter, but I presume I received it.

Q. Have you it in your custody? If so, please produce it.

A. I will do so if I can.

Q. At page 274 there is another letter of a similar character. Is that also in similar form?

A. Yes, sir.

Q. Have you an individual remembrance of it?

A. No, sir. I presume I received it.

Q. Will you look for it and produce it if possible?

A. Yes, sir. At page 275 there is also a similar letter to which I make the same answer. Also as to letter at page 277; also as to letter at page 278, dated May 7th; also as to letter at page 280, dated May 21st.

Q. What have you to say as to the letter at pages 281, 282, 283, and 284?

A. That is an itemized statement of something, but I do not recognize of what. It is apparently a recapitulation of something sent with R. D. Wood & Co.'s name at the bottom.

Q. Can you say whether you received that paper from Messrs. Bullock, containing a recapitulation of your advances?

A. I have no recollection of it. It comes to me now as new. I may have received it. I will look for the original and produce it if possible.

Q. On page 287 I find a letter of May 26th, 1888, addressed by Samuel R. Bullock & Co. to Messrs. R. D. Wood & Co. Have you the original of that letter?

A. I may have. I have no means of stating positively now. I will produce it if I have it.

Q. On page 289 I find a letter under date of June 4th, 1888. Is that in the form of requisitions such as we have been referring to?

A. Yes, sir. I make a like answer as to that, and also as to letter dated June 13th, 1888, at pages 291 and 292. Also as to letter at page 293, dated July 2d, 1888. Also as to letter at pages 295 and 296, under date July 16th, 1888. Also as to letter at page 297, under date July 30th, 1888. Also as to letter at page 307, under date August 13th, 1888. Also as to letter at page 308, under date August 27th, 1888. Also as to letter at page 310, under date September 10th, 1888.

Q. Please turn to pages 311 and 312, containing statement showing cost of completed works at Chester and Mobile. Do you remember receiving a copy of that paper?

A. That was made up at my request, and I received a copy of it.

Q. Have you the original of it?

A. I presume so. I will produce it if I can find it.

Q. Please turn to page 313, being statement of amount due to R. D. Wood & Co. Have you that paper?

A. I think I have. I will produce it if I can find it.

Q. You stated in your examination-in-chief that in May or June Mr. Bullock spoke to you about the Holly Company wanting another contract or assumption of liability by the water company, and handing you in that connection a copy of the contract between the Holly Company and Bullock. What was the date of that as nearly as you can fix it?

A. The nearest way to fix that date would be by reference to the papers themselves. It was in May or June of that year, which was 1888. I think the papers are in evidence.

Q. You say that you referred that matter to the attorney of the New Chester Water Company?

A. Yes, sir. Mr. Ward was then the attorney of the New Chester Water Company.

Q. Then it was to Mr. Ward that you referred it?

A. That is my recollection of it.

Q. Was the new paper drawn by Mr. Ward?

A. Mr. Ward I believe saw Mr. Dale, who was our counsel, and had some conversation with him. The person who drew the paper I don't know. It was either one or the other probably.

Q. Have you the original letter of which Exhibit C, November 15th, 1889, of page 187 of plaintiff's exhibits, is a copy?

A. I may have. I have no immediate recollection at present of having it.

Q. Will you please look for it, and produce it if you find it?

A. I will.

Q. From that time you knew that the Holly Company claimed a lien on payment; did you not?

A. As expressed in these papers.

Q. You made affidavit to the answer in this case; did you not?

A. I believe I did.

Q. When in that answer you averred that the first knowledge or information which you had of the contract between

the Holly Manufacturing Company and Samuel R. Bullock & Co. was obtained at or about the time of the filing of the bill in this case, which was in September, 1888, how do you reconcile that averment in your answer, with your knowledge of this matter on May 12th previously?

A. That is an error of dates, that a man with many details is likely to make.

Q. Was it due to an error in your memory at the time of the answer?

A. Probably. I have not looked at the bill to see whether I have made such an answer. I am taking it for granted from your questions to me.

(Answer handed to witness.)

Q. Do you remember having any negotiations with Mr. Hildreth and Mr. Bowen in reference to the release of this lien of the Holly Company?

A. Mr. Hildreth and Mr. Bowen asked R. D. Wood & Co. to pay the money that Bullock owed them, if that is what you refer to. I recollect that.

Q. Don't you remember the release of their lien being one of the matters discussed in those conferences?

A. The payment of the bill would necessitate the releasing of the lien, of course.

Q. But don't you remember the release of the lien being one of the matters discussed?

A. I can't say; it may have been mentioned. It very naturally would have been.

Q. You have said that this negotiation took place in August?

A. Yes, sir.

Q. At the time of that discussion in August you had in memory this information that you received the previous May, had you not?

A. My recollection, or the impression I had in the case, was that it was simply a mechanic's lien.

Q. You think that in August you had forgotten that there was a contract; yet you had known in May?

A. My recollection is, or the impression I had in August was, as I have stated it—that it was a mechanic's lien that Messrs. Hildreth and Bowen were talking about.

Q. It had passed from your memory, then, at the time of the discussion in August, that you had seen the contract in May, and that there was a special lien stipulated for in the contract which had been submitted to you in May?

A. That may have been the case.

Q. (Paper shown witness.) Please look at that paper and state whether you recognize the handwriting.

A. That paper is in my handwriting.

Q. Do you remember giving that to Messrs. Bowen and Hildreth, during those negotiations, as part of the negotiation?

A. I now recollect handing them that paper; yes, sir.

Q. It was during those negotiations of July or August, was it not?

A. It was about that time.

(Said paper marked "Exhibit B, April 23d, 1890, E. Z. B.")

Q. Between the time when you learned of the existence of this contract in May, and the failure of Messrs. Bullock & Co. in November, you went on making them advances, did you not?

A. We loaned Mr. Bullock money between May and November; yes, sir.

Q. You made no change in your course of dealing, because of your learning of this?

A. I did not consider that the situation had changed.

Q. You did not consider that it materially changed the situation?

A. No.

Q. When did the amount agreed to be furnished by Messrs. Hopper & Co. under the triparitite agreement give out and become exhausted?

A. It was about February, 1888, I believe.

Q. In February, 1888, when the $200,000 agreed to be provided under the tripartite agreement was exhausted, notwithstanding the estimate only reached $170,000, did you make any inquiry as to the cause of that circumstance?

A. I spoke to Mr. Bullock regarding his application of the

moneys, and he said that it was necessary to have some money to go on with his daily wants at different places.

Q. Did you ask him for an explanation of the discrepancy?

A. He said that it was unexpected to himself.

Q. Did you ask him how it was that the items for pumping machinery, which constituted the larger part of the estimate, remained still unpaid?

A. I have no recollection of asking him that individual question.

Q. In February, 1888, according to your statement, the $200,000 provided for in the tripartite agreement had all been advanced, and of the $170,000 estimated to be paid at the time of the tripartite agreement, over $70,000 still remained unpaid to the Holly Company, which you were aware of from the estimate which you had received. Do you mean to say that this circumstance did not attract your attention?

A. I knew the fact, and Mr. Bullock stated that he had made a grievous miscalculation.

Q. Then you concluded to go on and make further advances?

A. He had daily needs to be met, and I pressed upon him to get the money, and so far as he could he said that he was getting it from outside; and I furnished him some money to make up what he could not get outside from other sources.

Q. You know that he was not paying the Holly Company claim during all that time out of these advances, though that had been included in the estimate?

A. I considered that they were suffering like ourselves—that Mr. Bullock was their debtor, like he was our debtor.

Q. You were furnishing material at this time, were you?

A. Yes, sir.

Q. You were doing it voluntarily?

A. Just as they were.

Q. Did you communicate to the Holly Company that the funds provided had become exhausted, and that you were applying the new funds that you were advancing to other sources, leaving them unpaid?

A. The Holly Company sent us no information, and we sent them no information. I do not see why we should be called upon.

Q. You were on the inside. You knew just what you were advancing and what was being paid, and you knew that none of it went to the Holly Company.

A. And I knew that none of it went to ourselves.

Q. Did you think that the Holly Company's engines were going to become the property of the Chester Water-Works without being paid for?

A. Mr. Bullock expected to sell his bonds daily, and to realize on his securities—he expected to pay R. D. Wood & Co., and expected to pay all his debts.

Q. Did you ever make a careful examination to see how this discrepancy had occurred—more than twice the amount of the original estimate?

A. After I found that it was twice the amount, it was too late to make an investigation; and as we went along we had his assurance that it would not be but a little more. It came gradually.

Q. In February you saw that whereas the estimate had been $170,000, there was a discrepancy of at least $100,000, did you not?

A. Yes, sir.

Q. Wasn't that large enough to require serious investigation?

A. Mr. Bullock said that his men were doing the best they could.

Q. You say the Messrs. Bullock failed in November, 1888?

A. Yes, sir.

Q. That was some time after the bill in this case was filed?

A. You have the date in mind. I have not.

Q. When Mr. Bullock failed do you remember your taking possession of his property?

A. He gave assignments, which realized practically nothing to us, because his property was in other persons' hands.

Q. Did you take possession of the property at Chester?

A. The New Chester Water Company took possession of that, I presume, so far as anybody did. R. D. Wood & Co. did not take possession.

Q. Did you become an officer of the New Chester Water Company?

A. I did; in December, I think.

Q. What officer did you become?

A. Treasurer.

Q. Who did you find in possession when you went there?

A. Mr. Bullock handed the resignations of the officers to myself at the same time that he handed the assignments; and, with the offices vacant, there were new officers elected.

Q. Then the control of the company was turned over to you practically at the same time with the assignments, was it not?

A. Do you mean individually, or as treasurer of the company? Mr. Bullock ceased having control of the New Chester Water-Works, and his creditors assumed it.

Q. To whom were these resignations handed?

A. They were handed, I think, to one of our clerks, or myself.

Q. Wasn't it to R. D. Wood & Co.?

A. No. It was a transaction in which a great many interests were involved. You cannot say that in handing it to me he handed it to R. D. Wood & Co.

Q. Was it about the same time that you took possession of the papers of the company in New York?

A. He sent the papers over to R. D. Wood & Co.'s office.

Q. Who is Mr. Garrett?

A. One of our clerks.

Q. You sent Mr. Garrett over to get them, did you not?

A. Yes. I was over for a day or two during the confusion of Mr. Bullock's failure, and I left Mr. Garrett in New York, with instructions to get the papers and bring or send them over.

Q. He received the papers and did bring them over?

A. I believe so; yes, sir.

Q. How many shares of stock of the New Chester Water Company are now outstanding?

A. The whole issue is now outstanding.

Q. How many shares is that?

A. Twenty thousand.

Q. Have you the stock-book?

A. It is in one of the trust companies.

Q. By that stock-book there appear to be but forty-nine hundred and twenty shares out of the twenty thousand outstanding. Where are the others?

A. I think you have made some mistake in your figures.

Q. If you will kindly produce the stock-book and correct me I will be obliged.

A. I will do so.

Q. When these resignations were handed to you what did you do with them?

A. I believe I informed Mr. Hopper, who was the person who held the securities of the company as collateral, and followed his wishes in the matter.

Q. Did you reorganize the company—form a new board of directors?

A. Yes; there was a new board of directors formed.

Q. Did you do any act in taking possession of the property of the company?

A. Mr. Johnson had been the superintendent of the company before. He was the man who had charge of the details, and he continued to have charge of the details at Chester.

Q. (Letter shown witness.) Please look at that letter and state whether you recognize it.

A. I do.

Q. Was it written by you?

A. It was dictated by me and signed by me.

Q. What test did you contemplate in that letter?

A. Simply to see what pressure the steam gave at different portions of the cylinder. That was all.

Q. With what purpose?

A. That was all—to see whether the valve was set right. The pressure that is given at different parts of the cylinder depends upon the setting of the valve, and I wanted to have the pressure of the steam on the cylinders ascertained. That was all.

Q. You spoke with a view of making a duty test which would demonstrate what?

A. The value of the machinery.

Q. What did you refer to in that?

A. Simply this. The Holly Company feel that they have very good machinery, and that piece of machinery is not a credit to them as it is running to-day. I wanted to see the reasons why that piece of machinery was not creditable to them. In order to get the highest duty of an engine you must have the valve set right; and I wanted to see if that engine could not be made creditable to the Holly Company. That was all. It was a simple mechanical question.

(Said letter marked "Exhibit C, April 23rd, 1890, E. Z. B.")

Adjourned to 11 A. M., Wednesday, April 30th, 1890.

WEDNESDAY, April 30th, 1890.

Parties met at the office of William C. Hannis, Esq., Drexel Building, at 11 o'clock A. M., there being—

Present—The Examiner; Mr. Hannis, Mr. Dale, Mr. Ashhurst, and Mr. Bowen, counsel; Mr. Wood and Mr. Hopper.

WALTER WOOD, cross-examination resumed:—

By MR. ASHHURST:

Q. In the fourth paragraph of your answer, which I show you, you say, "The work of construction having been completed, the said pumping-engines were accepted by Samuel R. Bullock & Co." When was that acceptance by Samuel R. Bullock & Co. that you mentioned in the answer?

A. I cannot tell you.

Q. On what do you base the statement there made that the pumping-engines were accepted by Samuel R. Bullock & Co.? Is it a statement of fact or an inference or conclusion of law which you intended to make there?

A. I referred to a physical fact, that the engines were on the ground and were working.

Q. You considered, then, that the engines being on the ground and working implied an acceptance; is that your meaning?

A. Exactly what passed between Mr. Bullock and them, of course, I cannot say.

Q. I asked what you meant by saying they were accepted by Mr. Bullock.

A. He told me that the contract had been fulfilled with the Holly Company, and it was on that information that what I stated here is based.

Q. You inferred, therefore, that he had accepted the engines?

A. He told me that the contract had been fulfilled, and I supposed he accepted the engines.

Q. You did not mean you knew as a fact that he had accepted the engines in any definite manner at any definite time?

A. I have not any written memorandum showing such acceptance.

Q. Had you any personal knowledge of any such acceptance?

A. The knowledge I have is that he told me the engines were completed, and his contract with the Holly Company had been carried out.

Q. When was it he told you that?

A. He told me that about July or August.

Q. Of 1888?

A. I think it was 1888. What is the year we met at Atlantic City?

Q. 1888.

A. That fixes it.

Q. July or August of 1888?

A. July or August of 1888.

Q. That was, then, after this correspondence of May 12th?

A. Yes, sir.

Q. You then state, in the same paragraph of the answer, "That Samuel R. Bullock & Co. delivered possession of the

said engines to the New Chester Water Company and the South Chester Water Company." When was that delivery of possession that you refer to?

A. That delivery of possession was according to the contract made between himself and the South Chester and New Chester Water Company.

Q. I ask you when he delivered the possession of the engines to the South Chester Water Company. I do not ask what the contract is, but I ask as a fact. You state as a fact that he delivered possession of the engines.

A. The date of the delivery of the engines would be in the fall of that year.

Q. That is the date which has been mentioned by Mr. Keith and Mr. Johnson in their testimony, in the fall of 1888, you mean?

A. In the fall of 1888.

Q. That was after the filing of the bill in this case.

A. That I cannot say. I think the knowledge of the dates is with Mr. Keith.

Q. Now, you say that the water companies paid Bullock & Co. the full consideration for the engines without any notice of the alleged claim of the Holly Company. When did the water companies make this payment to Mr. Bullock of the full consideration that you refer to?

A. They had paid the money before a certain date, which I can fix for you. The date when it was actually paid I cannot tell you.

Q. Do you refer to the money payment by the water company?

A. The transfer of the securities.

Q. Then you refer in that statement to the original delivery of the bonds and stock by the water companies to Mr. Bullock at the time of the construction contract.

A. The bonds and stock were the payment which, under the contract, the water company was to make to Mr. Bullock, and those they delivered to him certainly in 1887, or prior to it.

Q. Those had all been delivered to Mr. Bullock before your transaction with him began in the fall of 1887, had they not?

A. In the fall of 1887, they had.

Q. Then you refer to the payment or the delivery of these by the water company before the contract with the Holly Company had been even made, do you not?

A. I do not know the exact date of their transfer by the water company.

Q. You mean a delivery in advance, then, do you not, to Mr. Bullock of the securities of the water companies before Mr. Bullock had complied with his contract to any great extent?

A. The details of the contract with the New Chester Water Company, and the performance of it, were things that I had no knowledge of, or necessity of cognizance about.

Q. Then why did you make that statement in your answer, that the water companies had paid Mr. Bullock the full consideration without notice?

A. I found that to be the fact on investigation afterwards, when we became familiar with the water company's organization.

Q. How did you have any knowledge of the water company having notice or not of the Holly Company's claim?

A. There is no notice in the files of the water company of such claim.

Q. That is what you meant when you said they had no notice of the claim?

A. Yes.

Q. You did not find any written notice in the files of the water company?

A. And none has ever come to my knowledge, either written or verbal.

Q. You knew Mr. Ward as the counsel of the water company?

A. Not until 1888.

Q. And you communicated to Mr. Ward this letter of the Holly Company?

A. Yes, sir.

Q. So that the counsel of the water company knew it from that time?

A. Certainly.

Q. Have you any reason to suppose that Mr. Ward was not aware of it before?

A. I have.

Q. You now state that you first knew of the contract lien of the Holly Company by this letter of May 12th, 1888. How are you sure you did not know of it earlier?

A. Because that is the first time I heard of it.

Q. When you made your affidavit to the answer in May, 1889, you affirmed that you never knew of this contract lien until about the time this bill was filed, in September, 1888. You have since found that this was an error, and that you had known of this lien in the previous May. How are you now sure that you are not now mistaken, and that you did not know of this lien still earlier?

A. We always speak from the best of our knowledge and belief, and that is the way I have spoken about it.

Q. Are you more sure now that you did not know of this contract lien prior to May, 1888, than you were when you took the affidavit to the answer that you did not know of it until September, 1888?

A. I have not the slightest recollection of hearing of it before May, 1888.

Q. In May, 1889, you had not the slightest recollection of ever having heard of it until September, 1888?

A. The lien of the Holly Company I considered as the liens of any material-men, as I was advised, under the laws of the State, that they were not of consequence, and consequently I paid perhaps less attention or notice to it in May than I did when I saw the notices up.

Q. I am speaking not of a question of law, but of a question of fact. I am trying to test the accuracy of your memory, and ask you whether you are more sure now that the contract of the Holly Company had not been brought to your attention before May than you were last May, 1889, that you had never heard of it until September?

(Mr. Hannis would like to suggest that Mr. Wood, in his answer, has not fixed any time when the bill was filed; he did not say it was filed in September, but simply said he had no notice until about the time the bill was filed.)

A. I have not the slightest recollection of it before May.

Q. Are you more sure now about when you heard of it than you were last May.

A. The fact of the letter from Mr. Bullock fixed the date in my mind. Consequently, that makes it more sure.

Q. If that letter and that correspondence had not been produced here would you not still think that you had not known of the matter until about the time the bill was filed?

A. I should have put it about the time the bill was filed.

Q. And when this was brought to your attention you attached no great importance to it, and did not change your course of dealing because of it?

A. Why should I change my course of dealing?

Q. Then what is there to fix it in your memory that by a previous letter or a previous conversation the same matters had not been called to your attention?

A. It is very clear that letter was the cause of our asking Mr. Bullock to furnish the contract.

Q. What is there in that letter inconsistent with the fact of that contract having been long familiar to you?

A. There is nothing inconsistent in this letter with prior knowledge that I know of.

Q. Does not that letter indicate that there had been previous conversations between you on the same topic?

A. I do not think it has any inference at all.

Q Had there not been frequent conversations between you about the Holly Company's claim and rights previous?

A. There had been a number of conversations that the Holly Company had a claim, and there have been frequent assertions by Mr. Bullock that they were willing to take his notes in payment for it.

Q. In the fourteenth paragraph of your answer you state: "That at the time said contract was made the said Bullock had contracted liabilities for a large amount, exceeding $85,000, in the construction of said works, which were then unpaid, of which he rendered no statement to these defendants or to said Hopper & Co." What were those $85,000 of which Mr. Bullock had rendered no statement?

A. I cannot give you the details of all of them, but I can give you the details of some of them.

Q. Please give the figures of that.

A. There were the claims of about $15,000 down at Greencastle, there were liabilities for completing the work on the reservoir at Mobile, and in the erection of the works at Chester, which amounted certainly to more than this $85,000.

Q. Give the details of the items at Chester.

A. The details of the items can best be found in the cost of the completion of the works. I have not the figures in my mind.

Q. Your statement is that those were liabilities existing at the time the contract was made, and I ask you for a statement of what those liabilities were.

A. They were the liabilities for the completion of these works at Chester and Mobile and Greencastle.

Q. I renew my request for a detailed statement of the same.

A. Do you want it verbally?

Q. Either verbally or in writing. I want it detailed.

A. The details can be found amongst Mr. Bullock's papers.

Q. You have said, under your affirmation, that those liabilities to that amount existed beyond what Mr. Bullock stated to you. Mr. Bullock stated to you a certain amount at that time, to which your attention was called in one of these statements, and now I want the particulars of what the additional matters were.

A. The details of doing the work were in Mr. Bullock's hands.

Q. I am not asking for the details of doing the work. I am asking for the details of the liabilities actually incurred at the time of the tripartite contract, which Mr. Bullock then concealed from you, according to your statement.

A. The two are the same, are they not?

Q. No; the cost of doing the work may include amounts afterwards incurred. Your statement here refers to liabilities then existing and not revealed to you by Mr. Bullock.

A. I think there will be no trouble satisfying you on that point.

Q. Mr. Bullock, according to the statement which appears to have been furnished you in the end of August or early in September, 1887, informed you that the amount required to complete the works of the New Chester Water Company would be $98,000, and that there were at that time overdue for Chester $34,900, together amounting to $132,900; that the amount required to complete the works at Greencastle was $12,000, and in addition there was a sum of $8000 due. As to Mobile, that there were $72,000 required to complete, and that there were amounts to be paid of $3500 and $6850. Now, I want your statement to state what was the additional $85,000 which was then held back by Mr. Bullock for liabilities then incurred, and how that was distributed between the three companies. In your examination-in-chief you said: "Mr. Bullock had his engineers at Mobile and at Chester, and they had supervision of the work as they had in the past before that time. They were in charge afterwards in the details of its completion, and supervised the works until they were declared finished by Mr. Bullock." When did Mr. Bullock make that declaration?

A. The Greencastle works, in the fall of 1887; the Mobile works, in June or July of 1888; and the Chester works shortly after that.

Q. In what form did he make the declaration?

A. He told us that the works were finished.

Q. Verbally or by letter?

A. Verbally; and I think he referred to it in one of his statements in which he asked us to furnish him some money.

Q. Did he withdraw his engineers after making that declaration?

A. The constructing force, the engineers who had charge of his construction, had charge, I think, afterwards of the operation of the works. Mr. Keith, I think, is an exception to that; Mr. Morrison, at Greencastle, is an exception to that, and, I think, Mr. Delafield, at Mobile, would be an exception.

Q. Did not Mr. Fuller continue?

A. Mr. Fuller, I think, was partially continuing and partially withdrawn. The details of the operation at Chester fell on the superintendent, Mr. Johnson.

Q. Mr. Johnson has testified that Mr. Fuller gave the charge over to him in November, 1888. Is that the time to which you refer as to Chester?

A. I should presume that Mr. Fuller's active charge at Chester was given to Mr. Keith and Mr. Johnson before that time.

Q. Did you hear Mr. Johnson's testimony?

A. No; I did not.

Q. And you did not know that Mr. Johnson was only in charge of the old works of the South Ward Water-Works, and that Mr. Fuller retained the charge of all the new works until November.

A. That is only the details of the operation of Mr. Bullock's works, which I would not be familiar with until after the time of his failure.

Q. When did you find out that there was this amount of liabilities, $85,000, in excess of what Mr. Bullock had revealed to you at the time of the tripartite contract?

A. It came out gradually as Mr. Bullock's necessities made themselves apparent. It was a continuing revelation.

Q. When you gave that letter of May 12th, 1888, to Mr. Ward, did you give it to him personally, or did you send it?

A. I really cannot tell you which way he became informed of its contents.

Q. You do not know whether you had a personal interview with him on the subject?

A. My impression is I had a personal interview with him on the subject.

Q. How did you happen to be made the means of communication between Mr. Bullock and Mr. Ward in this matter?

A. Mr. Bullock felt that we had done him a great deal of kindness in helping him through his daily necessities, and he wished us to know what was transpiring.

Q. Was not Mr. Ward Mr. Bullock's attorney in Chester?

A. Mr. Ward was employed by Mr. Bullock, I believe.

Q. And in constant intercourse with him in Chester, with regard to the business of the company, was he not?

A. That I could not say.

Q. You said the other day that it might have passed from your memory, at the time of the discussion in August, that you had seen this contract providing for a special lien in May, because at the time of the discussion in August you were only thinking of an ordinary mechanic's or material lien. If this circumstance of having seen the contract could have passed from your memory between May and August, 1888, how can you tell that the circumstance of your having seen that contract earlier may not have passed from your memory now?

A. Because the letter which was produced brings an accurate recollection.

Q. Then if I could produce to you an earlier letter it might call back to your memory having seen it earlier?

A. Whatever I wrote, of course, will refresh itself to my memory.

Q. In answer to my call at the last meeting you produce the stock-book of the New Chester Water Company. Looking at that, say how many shares are now outstanding.

A. I think that shows twenty thousand shares outstanding.

Q. According to this book there appear outstanding then the following shares:—

By certificate No. 1, dated 12/5/88, five shares, in the name of J. L. Forwood;

Certificate No. 2, dated 12/5/88, five shares, in the name of Samuel A. Dyer;

Certificate No. 3, dated 12/5/88, five shares, in the name of J. Frank Black;

Certificate No. 4, dated 12/5/88, five shares, in the name of William Ward;

Certificate No. 5, dated 12/5/88, five shares, in the name of Walter Wood;

Certificate No. 6, dated 12/5/88, five shares, in the name of Henry S. Hopper:

Making thirty shares.

Certificates Nos. 12 to 30 inclusive, dated August 30, 1887, one hundred shares each, in the name of William Bucknell;

Certificate No. 31, dated August 30, 1887, 15,080 shares, in the name of William Bucknell;

Certificate No. 33, dated 12/5/88, 2890 shares, in the name of William Bucknell;

Certificate No. 34, dated Sept. 18, 1889, five shares, in the name of James H. Little;

Certificate No. 35, dated Sept. 18, 1889, five shares, in the name of Craig Lippincott;

Certificate No. 36, dated Sept. 18, 1889, 90 shares, in the names of James H. Little, Craig Lippincott, and H. S. Hopper, acting trustees?

A. Yes, sir.

Q. (Paper shown witness.) You produce, in further answer to my call, this statement.

A. A statement of Mr. Bullock in regard to the money expended at Chester and Mobile.

Q. That is the original of the paper?

A. That is the paper he sent us.

Q. That is the paper he sent you, and mentioned on what page?

A. 311 and 312.

(Statement marked "Exhibit No. 1, 4/30/90, A. J. H.")

Q. Did you find any others?

A. That is all I could find.

Q. Can you, taking this paper Exhibit No. 1, and the estimates and statements given you at the time of the tripartite contract, show where the discrepancies are?

A. I could not with any close exactness, because it runs largely through the general items of construction.

Q. Have you any means of making that comparison and statement?

A. I can add some items to it. I see a mortgage against the wharf at South Ward of $15,000; and he has costs down here for different constructions much higher than were rendered to us in October, running all through the statement. I can refer also to the reservoir charges.

Q. That $94,000 included what had been done to the reservoir before that date?

A. Yes; but that did not amount to a very large amount of money.

Q. The $15,000 mortgage to which you referred had not been paid up to the time of Mr. Bullock's failure, had it?

A. The mortgage had not been paid at the time of Mr. Bullock's failure.

Q. Did you see any other of the contracts that Mr. Bullock had for any portion of the Chester or Mobile work?

A. I saw no contract until I saw the Holly contract, and that is the only one I recall seeing at all.

Q. You spoke of McNeall being another large creditor remaining unpaid. You do not mean that as to Chester, do you?

A. There was about from $1500 to $2000 owing to McNeall.

Q. The only considerable claim that McNeall & Co. have is at Mobile?

A. They have a considerable claim at Mobile.

Q. And Greencastle, I think you said, had been all paid?

A. No; there are considerable outstanding claims at Greencastle which the contractors were not able to collect.

Re-examined.

By MR. DALE:

Q. In your cross-examination you have been asked concerning certain conversations between yourself and Messrs. Bowen & Hildreth, in August, 1888, with reference to a guarantee by your firm of the notes of S. R. Bullock & Co. in consideration of a certain discount to be paid or allowed. Please state what was the known financial condition of Samuel R. Bullock & Co. at that time?

A. Mr. Bullock was known to have the securities at Chester and Mobile and a number of other places, which were placed for sums much below their face value, and which securities could be sold at their face value when the works were completed, which would put him in funds to pay all his indebtedness so far as we then knew it.

Q. Please state whether or not at that time there was any announced insolvency of Samuel R. Bullock & Co.?

A. There was no announced insolvency, and, further than that, he was talking of paying off his creditors, expecting to sell his bonds at a very early date, and expected to pay everybody in full shortly. He reported himself having such negotiations under way.

Re-cross-examined.

By MR. ASHHURST:

Q. When you made the tripartite contract you knew of the purchase of the South Ward Water-Works, and that they had been paid for in bonds, did you not?

A. I was not familiar with the details of the South Ward works.

Q. You knew that that had been accomplished at that time, generally, did you not?

A. No; not all. My dealing was with Mr. Bullock as with any other customer of ours who was paying his bills, and who was considered in good standing. I asked him no details regarding the conduct of his business, or anything about the South Ward or New Chester works, or the details, at all.

Q. Then you did not know when you went into the tripartite contract how large an amount of the bonds furnished by the water company had been used for that purpose?

A. It was not my business to know it.

Q. As a fact, you did not know it until you got that later statement, showing that $313,000 had been paid for that property?

A. Probably not.

Q. Do you remember discussing with Mr. Bullock as to a consolidation of the two water companies, the South Chester and the New Chester, and making a larger issue of bonds?

A. Mr. Bullock wanted to issue five per cent. bonds on the Chester works for $1,000,000, so as to obtain funds enough to meet all his indebtedness, and mentioned that thought in his mind to me.

Q. When was that?

A. That was when I called his attention to the fact that the works were costing more than he would have securities to pay, and he said he could arrange such a readjustment which would put him in funds to pay everything.

Q. When did you think it was that you called his attention to the fact that the work would cost him more than he had securities to pay?

A. That was early in 1888; and he immediately met it with that suggestion, that he had made arrangements to issue the five per cent. bonds instead of six, which would meet all his indebtedness.

Q. Probably in January, 1888?

A. It was early in 1888, when it was apparent that he was going to overdraw the money that he had stated to be sufficient to meet this construction.

Q. You became convinced of that in January or February of 1888?

A. Certainly, by February.

Q. Did you approve of that suggestion of his?

A. I was not going to throw any obstacle in the way of his accomplishing that.

Q. Nothing was ever done about it, however?

A. The change was never made.

Q. Did you talk to Mr. Hopper on that subject?

A. There has been some talk between Mr. Hopper and ourselves as regards the amount of bonds and the amount of indebtedness which Mr. Bullock was incurring.

Q. When you found in January or February that there was going to be this excess did you communicate with Mr. Hopper on the subject?

A. It is more than likely I told him that R. D. Wood & Co. would have to lend Mr. Bullock some money in addition to what he had lent him.

Q. Did you form any calculation at this time as to how much additional you would have to lend him?

A. No; not at all. Mr. Bullock represented it to be only a small amount.

Q. But yet the provision was expected to be to provide about $200,000 more bonds, was it not?

A. Mr. Bullock's thought was to change the $800,000 Chester bonds, the six per cent. bonds, into a million five per cent. bonds.

Q. That would give $200,000 more bonds available?

A. That would enable him to pay the sums he borrowed of R. D. Wood & Co. and his other creditors.

Adjourned until 3 o'clock P. M.

3 o'clock P. M.

HARRY S. HOPPER, having been duly sworn, was examined as follows:—

By MR. HANNIS:

Q. What is the name of your firm?

A. William G. Hopper & Co.

Q. Composed of whom?

A. William G. and H. S. Hopper.

Q. What is the business of your firm.

A. We are bankers and brokers.

Q. How long have you been in the business?

A. Since 1873.

Q. Have you transacted as such bankers and brokers business for Mr. William Bucknell?

A. Yes, sir.

Q. How were those transactions conducted, or in whose name?

A. In the name of William G. Hopper & Co.

Q. Mr. Bucknell is now dead, is he not?

A. Yes, sir.

Q. When did he die?

A. March 5th, 1890. Usually I transacted business in our name. Sometimes we made some transactions in his, I think.

Q. But in the matters relating to the New Chester Water Company, or other kindred loans or of that kind, in whose name were they made?

A. Those were made in the firm's name.

Q. Had Mr. Bucknell any personal knowledge of those transactions except what he derived from you?

A. No, sir; I don't know as he had.

Q. Has your partner, W. G. Hopper, had the charge of any of these matters?

A. No, sir.

Q. What was his knowledge outside of information derived from you as to them?

A. I do not think he has any.

Q. So that you were about the only one who had any active knowledge of these affairs?

A. Yes, sir.

Q. And the others derived their knowledge through reports from you?

A. Yes, sir.

Q. You know the firm of Samuel R. Bullock & Co., do you not?

A. Yes, sir.

Q. Have you had dealings with them heretofore?

A. Yes, sir.

Q. Since what time have you been dealing with them?

A. The latter part of 1885, or some time in 1885; I do not recollect the exact time.

Q. At or about the time you commenced your dealings with them did you receive any communication from the Holly Manufacturing Company as to the standing of Samuel R. Bullock & Co.?

A. Yes, sir; they were one of the references that Samuel R. Bullock & Co. gave. I wrote to them, among other written and personal inquiries, as to Mr. Bullock's standing.

Q. Have you their letter?

A. I have. I brought it up amongst those papers.

Q. (Letter shown witness.) Is that the letter you speak of?

A. Yes, sir; that is one of them.

(Letter referred to, dated September 26th, 1885, marked for identification "Ex. A., 4/30/90, A. J. H.")

Q. Since 1885 what loans have you made, or on what

water-works have you made loans, for S. R. Bullock & Co., or to S. R. Bullock & Co.?

(Objected to.)

A. The principal ones were on the works at Sharon, Pa.; Vincennes, Ind.; Dennison, Tex.; Pensacola, Fla.; and the railroad at Paducah, Ky. Those are the principal ones I recall. There were other minor ones that I do not recall.

Q. When did Messrs. Bullock & Co. first apply to you to loan money on the water-works at Chester?

A. It was some time early in 1887 that they first spoke about the works there.

Q. About what time would you say that was?

A. It might have been as early as January or February when it was first talked about; that is, first mentioned.

Q. Was there any agreement entered into at that time, at all?

A. No, sir.

Q. What representations did Mr. Bullock make to you as to these water-works bonds being good securities and first liens?

(Objected to.)

A. He brought them to us as very desirable bonds to handle, that would sell readily; that his only regret was that he had not enough surplus to take some of them himself, and when he gave the option he thought the price was too low; that a bond of that kind ought to bring him nearer par; that they were an undoubted security.

Q. When did you come to an agreement with Mr. Bullock about advancing him money on the Chester securities?

A. I do not think matters were finally put in shape until June, 1887, although it was either in May or June that matters were pretty well outlined. The agreement, I think, was formally executed in June, 1887.

Q. Look at page 163 of plaintiff's exhibits, and say if that is a correct copy of the agreement between your firm and S. R. Bullock & Co.

A. I read it over before in connection with it, and it appears to be practically correct.

Q. Look at page 164 of plaintiff's exhibits, and see whether the paper there printed is a correct copy of the agreement of May 16th, 1887, between your firm and Samuel R. Bullock & Co., being an agreement by which they agreed that all securities should be collateral for all debts due by Messrs S. R. Bullock & Co.

A. Yes, sir; it is the same.

Q. Was there any other written agreement between your firm and S. R. Bullock & Co. in regard to Chester than those two agreements referred to?

A. No, sir; that is, up to that time.

Q. Prior to the execution of the agreement of June 13th, 1887, did Mr. Bullock show you the construction contract and the contract tripartite between the New Chester Water Company and the South Ward Water-Works?

A. Yes, sir.

Q. Look at page 78 of plaintiff's exhibits, and say whether what they have printed there is a correct copy of the tripartite contract.

A There are some variations from it. They have omitted the date on page 78. and on page 80 I notice where they have annexed "Marked B" it is "F" in the copy we have, and there are some omissions on page 82. Otherwise it seems to correspond.

Q. And are there not omissions in regard to the schedules annexed to this contract?

A. Those are not on this page. They are different.

Q. The schedules are different from the schedules contained in this?

A. Yes, sir.

Q. Are all these schedules contained in this tripartite contract published anywhere in the plaintiff's exhibits.

A. No, sir; not all. Some are printed and some are omitted.

Q. (Paper shown witness.) That is the original of the tripartite contract, is it?

A. No; this is a copy.

Q. You have here a complete copy of the tripartite contract, have you?

A. So I understand.

Q. And that was delivered to you by Mr. Bullock?

A. That was delivered to me by Mr. Bullock as a copy of the tripartite contract.

(Copy of tripartite contract between the South Ward Water-Works and the New Chester Water Company, marked for identification "Ex. B., 4/30/90, A. J. H.")

Q. Did Mr. Bullock at the time he was negotiating with you about this loan to Chester exhibit to you his construction contracts with the New Chester and the South Chester Water Companies?

A. Yes, sir; we saw them.

Q. Look at those contracts as printed in the plaintiff's testimony on pages 37 to 45, and say whether or not they are substantially correct.

A. I think they are substantially the same as the copies furnished us.

Q. You say there was no agreement in writing between you prior to June 13th, 1887, in regard to Chester?

A. No, sir.

Q. Then is Mr. Bullock mistaken on pages 14 and 15 of his testimony when he says that there was an agreement early in 1887?

A. So far as a written agreement is concerned; yes.

Q. What had been the talk between you prior thereto as to coming to any agreement?

A. We told him that Chester looked very favorable to us, and if he would remove certain objections that existed and put it in shape satisfactory to ourselves and our principal we would procure the necessary funds on about the basis of what we had done in connection with other works; and it was on that that he went ahead in removing the objections that we had alleged.

Q. When the agreement of June 13th, 1887, was made what was the understanding then between yourselves and Messrs. Bullock & Co. about the payment for the South Ward Water-Works?

A. When he submitted the tripartite agreement to us it had in it that he would put up $300,000 in cash as security for the retirement of the bonds on the South Ward property. We took exception to that. Well, he said, they had had a great deal of trouble in getting the matter through, there was quite a fight in councils, and when they came to him as to what security he would furnish he had said, "Oh, make it cash," and they had introduced it into the bill; but that he had arranged with Colonel Dyer and others down there to accept a deposit of $300,000 of the bonds with our guarantee, and probably they might want Mr. Bucknell's guarantee in addition; that as the South Ward bonds came in we would take up an equal amount of the South Chester Water Company bonds, advancing the cash necessary to take up the South Ward bonds. As these South Ward bonds did not mature until at least the first important lot, I think, in 1892, or thereabouts, we would probably not be called upon for any cash on that, simply a guarantee.

Q. Any cash on the purchase-money of the South Ward Water-Works?

A. Of the South Ward Water-Works.

Q. What report did he make at that time, that is, prior to the agreement of June 13th, 1887, as to the desirability of purchasing these South Ward Water-Works?

A. The earnings of the South Ward Water-Works he showed us amounted to in the neighborhood of from $38,000 to $40,000 per annum, which would be equivalent to a return of six per cent. on the valuation of $500,000, and, in addition to that, we at once overcame all objection, or all opposition rather; the value of the works and the opposition were the points that were in our minds principally in insisting upon the purchase.

Q. Did he then complain about the purchase of the South Ward Water-Works being a bad bargain?

A. No, sir; it was looked upon as a very desirable deal.

Q. Would you have made your loan unless those works had been purchased?

A. No, sir; it was one of our conditions from the very first

that all opposition should be removed; we would not go into a fight with the works, as they were in existence; we would not go into a fight with the old works.

Q. And that was according to the terms of his construction contract?

A. That was a part of his construction contract. That was one of the first conditions we made.

Q. Was it not a condition made by the water companies also?

A. Yes, sir. It was also required under the water companies' construction contract.

Q. About what time was it that you were applied to to make advances for the payment of these South Ward Water-Works?

A. I think it was about the 1st of July or latter part of June, somewheres; close on to the 1st of July.

Q. What was said to you by Mr. Bullock as to the reason for requiring these advances to be paid at that time?

A. He said that some parties in councils down there, the opposition, insisted upon the literal fulfillment of the tripartite agreement, namely, $300,000 in cash, and he could not make the arrangement with Colonel Dyer that we had calculated on; and we said it was simply absurd to put up $300,000 in cash as security for the payment of $290,000, or $300,000 principal; that if they wanted it cash he must then make a sale of the works absolutely to us as additional security, so that we would have no responsibility regarding these South Ward bonds; in other words, the matter must be cleaned up at the time the payment was made. And we saw our principal regarding it and he demurred a little at being called upon for an additional $300,000 in cash, but finally it was arranged in that way and the matters were consummated on the 7th of July.

Q. Was there any agreement in writing as to the advances you were to make on these $300,000?

A. No, sir; nothing.

Q. Nothing further than that of June 13th?

A. No, sir.

Q. Then is Mr. Bullock mistaken on page 15 in saying there was an agreement in writing about the advances you were to make on the South Ward Water-Works?

A. Yes, sir.

Q. When did you pay over the amount to Samuel R. Bullock & Co. for the purchase of the South Ward Water-Works?

A. On the 7th of July, 1887.

Q. (Papers shown witness.) Are those the checks for that payment?

A. These are the certificates of deposit, yes. We did not take checks; we got certificates of deposit from the First National Bank of Philadelphia.

(Certificates of deposit marked for identification "Ex. C, 4/30/90, A. J. H.," and "Ex. D., 4/30/90, A. J. H.," respectively.)

Q. Did any part of that $313,000 come back to you or your principal in any way whatever?

A. No, sir.

Q. So that Mr. Waltman, then, is mistaken when on page 54 of his testimony he says he thinks that was compensation for the loan?

A. Yes, sir.

Q. You stated that this plant of the South Ward Water-Works was transferred to you as collateral security for this money you advanced; that is, the real estate and personal property of the South Ward Water-Works?

A. Yes, sir.

Q. You have the deeds and bills of sale for that, have you not? They are here?

A. The attorneys arranged that.

Q. You have them here?

A. Yes, sir; I believe they are all there.

Q. (Paper shown witness.) Look at that paper and state whether that was the transfer of the personal property to Samuel R. Bullock & Co. of the South Ward Water-Works?

A. Yes, sir.

(Transfer referred to marked for identification "Ex. E., 4/30/90, A. J. H.")

Q. There is at the end of that a transfer by Samuel R. Bullock & Co. to you as collateral security, is there not?

A. Yes, sir.

Q. (Another paper shown witness.) Look at that paper and see whether or not that is a transfer of the claims and debts due to the South Ward Water-Works?

A. Yes, sir.

(Paper referred to marked for identification "Ex. F., 4/30/90, A. J. H.")

Q. That is transferred to Samuel R. Bullock & Co.?

A. Yes, sir.

Q. And by Samuel R. Bullock & Co. to you?

A. Yes, sir.

Q. (Paper shown witness.) This third paper which I hand you is the obligation of Bullock and Dyer and Black?

A. That is the obligation of Bullock and Dyer and Black.

Q. As indemnity on the $15,000 mortgage?

A. Yes, sir.

(NOTE.—This paper is correctly printed on page 172 of plaintiff's exhibits.)

Q. Did the South Ward Water-Works make a deed to Mr. Bullock of the real estate connected with the South Ward Water-Works?

A. They made a deed; yes, sir.

Q. We have not that deed?

A. No, sir.

Q. (Paper shown witness.) Is that the deed from Mr. Bullock to you of the property acquired by him from the South Ward Water-Works?

A. Yes, sir.

(Same marked for identification "Ex. G., 4/30/90, A. J. H.")

Q. (Paper shown witness.) State whether or not that is a declaration of trust made by you on July 7th, 1887, concerning this property transferred to you from the South Ward Water-Works.

A. Yes, sir.

(Paper marked for identification "Ex. H, 4/30/90, A. J. H.")

Q. I understand you to say you held this property as

security for the money you advanced for the purchase of the South Ward Water-Works?

(Objected to.)

A. Yes, sir; we had that as security; and we also had the other.

Q. The other as security?

A. Yes, sir.

Q. State whether or not the pumps constructed by the Holly Manufacturing Company are erected upon this ground thus transferred to you.

A. Yes, sir.

Q. When was the last advance made by you to Samuel R. Bullock & Co.?

A. February 1st, 1888.

Q. (Letter shown witness.) Is that a letter from Mr. Bullock acknowledging the receipt of that advance?

A. Yes, sir.

(Letter marked for identification "Ex. I, 4/30/90, A. J. H.")

Q. What was the amount of the advance?

A. I can say from the letter, $398.82.

Q. When was the next preceding advance made?

A. Two weeks prior; January 18th, I think.

Q. What was the amount of that advance?

A. Something over $12,000; between $12,000 and $13,000.

Q. After you made that last advance on February 1st, 1888, what was the total of your advances to Samuel R. Bullock & Co.?

A. $1,427,000 and some odd hundreds.

Q. Did Samuel R. Bullock & Co. give you an obligation funding all of those advances?

A. Yes, sir.

Q. Do you remember the date at which Mr. Bullock gave that obligation funding his advances to you?

A. Yes, sir; November 1st, 1888.

Q. (Paper shown witness.) Is that a copy of the obligation which Messrs. S. R. Bullock & Co. gave to you for the total of the advances?

A. Yes, sir.

(Same marked for identification "Ex. J, 4, 30, '90, A. J. H.")

Q. Where is the original of that?

A. It is in the box in the Fidelity Trust and Safe Deposit Company, together with the collateral.

Q. At the time you made your contract with Messrs. Bullock & Co. for advances at Chester, and while you were making those advances, did you have any knowledge of the correspondence between William H. Miller and Samuel R. Bullock & Co., or Samuel R. Bullock, copies of which are published in the testimony of the plaintiffs?

A. No, sir; I had not.

Q. When did you first acquire a knowledge of that correspondence.

A. When the testimony was brought out as published by the plaintiff.

Q. During that time did you have any knowledge of the agreements between William H. Miller and Samuel R. Bullock or Samuel R. Bullock, copies of which are published in the plaintiff's testimony?

A. No, sir.

Q. When did you first acquire a knowledge of those agreements?

A. In November of 1888 we acquired a knowledge of an agreement to deliver Mr. Bullock some stock; at the time of Mr. Bullock's failure. Mr. Miller was over there and said Mr. Bullock had not delivered him certain stock as he should, and, however, if he felt his interests were going to be protected he would not interpose any obstacle in the way of Mr. Bullock's assignments.

Q. That was the first knowledge you had of those agreements?

A. Yes, sir.

Q. Did he show you the agreement?

A. Not at that time; no, sir.

Q. When did you ever see it?

A. I believe he did show it to us some time after that, but I do not think I have ever read it until it was published.

Q. During this time had you any knowledge of what was contained in the minutes of these water companies?

A. No, sir.

Q. When did you first acquire a knowledge of the minutes of the water company?

A. From the testimony as published.

Q. Or the report of Engineer Fuller to Mr. Bullock as published in the plaintiff's testimony?

A. No, sir; I did not until I saw it in the published testimony.

Q. During all this time had you any knowledge as to who were the directors or officers of these water companies, or how they held their stock, or what were their relations to Bullock & Co.?

A. I knew that Mayor Forwood, of Chester, was the president of the company, and he was the only officer that I knew.

Q. Did you know William H. Miller at that time?

A. Yes, sir; I knew William H. Miller.

Q. But did you know of any peculiar or particular relations that they held to Mr. Bullock or Bullock & Co. during that time? Had you any knowledge at all?

A. No, sir; excepting as officers of the company. Mayor Forwood as president of the company; I do not think I knew that Mr. Miller was secretary; I do not recall it.

Q. During this time that you were making these advances, or prior thereto, what knowledge had you of the terms of the Holly contract?

A. We had no knowledge of the Holly contract?

Q. Mr. Bullock says, on pages 17 and 43 of his testimony, that he thinks he gave you a copy of the Holly contract some time between August, 1887, and October 26th, 1887, and that he gave a copy to Mr. Wood at the same time. Is he correct in this statement?

A. No, sir.

Q. Did you ever have a copy of the Holly contract?

A. No, sir; never had a copy.

Q. When did you first see a copy of that contract?

A. I think it was in the printed testimony.

Q. When it was printed in this proceeding?

A. Yes, sir; in the plaintiff's testimony.

Q. Mr. Hildreth says, on page 98 of his testimony, that in

the latter part of January, 1888, in a conversation with you he told you that under their contracts—that is, under the contract of the Holly Manufacturing Company—they had a lien upon and a right to hold the possession of the pumps. Did Mr. Hildreth ever so inform you?

A. No, sir.

Q. You remember having a conversation with him about that date, do you?

A. Yes, sir.

Q. State what occurred, as nearly as you can recollect it.

A. As near as I can recollect, Mr. Hildreth called in the afternoon shortly before I was leaving the office, and introduced himself as the secretary, I think, of the Holly Manufacturing Company. He said that they had large contracts with Samuel R. Bullock & Co., and were about assuming further contracts, or Mr. Bullock had made applications for the contract; that he had also made certain statements to them concerning arrangements made in Philadelphia for financial assistance; that he had been slow in his payments; and that he stated he had made arrangements with us for enough money to take him through; and Mr. Hildreth said he took the liberty of calling to confirm that statement. I told him that was practically the case. He says, "You think, then, Mr. Bullock is all right—will get through all right?" I said, "I see no reason to doubt it; I believe he will come out all right." He asked then how much there was yet to advance under that. I told him I couldn't tell him without reference to the books, and it was not altogether a question that I would care to answer, unless Mr. Bullock consented to it; it was information that we did not feel disposed to give without authority. His principal object seemed to be the assurance, or rather corroboration, as to Mr. Bullock's statement of the additional arrangement he had made, and that we gave him unhesitatingly. I knew the amount was not very large that we had not advanced, but I did not say anything about that.

Q. At that time there were but a little over $300 due by you on the advances?

A. $392 and some cents.

Q. When did you first learn that the Holly Manufacturing Company claimed to have a lien on or right of possession to these pumps?

A. Some time in the summer of 1888.

Q. How and from whom did you learn that?

A. I learned it from Mr. Bowen. Mr. Hildreth called about mid-day, accompanied by Mr. Bowen, whom he introduced as attorney of the Holly Company, and I stepped forward to the front counter, and Mr. Bowen said that he had come regarding the Holly claim; that it had not been paid yet and he wanted to give us notice that it must be paid. I told him I did not care to discuss the matter with the attorney of the company, that Mr. Hannis was our attorney; but Mr. Bowen seemed to be very desirous of giving emphatic notice. So I invited both gentlemen in the front office and treated them to a cigar by way of pacifier, and Mr. Bowen then reiterated the fact that they owned practically the pumps; that if the bills were not paid they would remove them; they wanted us to take formal notice. I did not comment one way or the other upon the matter, because I had already told him I did not care to discuss the question with a lawyer, and he seemed to think that I either did not know much or I did know a great deal about it—one way or the other—and was rather provoked; it was all pleasant, but he seemed to think it ought to have had more effect. And I had in mind a mechanic's lien; when he spoke of owning these pumps, I thought that was a question that probably a Pennsylvania attorney knew more about, and I gave very little attention, although at that time he said they claimed ownership of the pumps. I think that was all. I do not know whether it was at that meeting or at a later meeting he spoke about our uniting with them in order to force R. D. Wood & Co. to fulfill their contract, or something of the kind. That is all, I think.

Q. If these pumps are removed from the Chester Water-Works, what would be the effect on the value of the bonds?

A. I do not think that the bond would have very much, if any, value.

Q. What would be the effect on the citizens of Chester as to their ability to get a supply of water?

A. The company could not supply them with water, or, at least, only a very small portion of them.

(Mr. Hannis formally offers in evidence the papers not already correctly printed, heretofore marked for identification, as follows:—

"Exhibit A," letter from Holly Manufacturing Company as to standing of Samuel R. Bullock & Co.;

"Exhibits C and D," certificates of deposit heretofore referred to;

"Exhibit E," transfer of personal property of South Ward Water-Works to Samuel R. Bullock & Co., &c.;

"Exhibit F," transfer of claims and debts due to South Ward Water-Works, &c.;

"Exhibit G," deed from Samuel R. Bullock & Co. to H. S. Hopper;

"Exhibit H," declaration of trust by H. S. Hopper, July 7th, 1887;

"Exhibit I," letter from Samuel R. Bullock & Co. to H. S. Hopper;

"Exhibit J," copy of promissory of Samuel R. Bullock & Co., dated November 1st, 1888.

NOTE.—Exhibit B, Mr. Hannis says he does not offer, but tenders to Mr. Ashhurst, if he chooses to offer it.

Mr. Hannis also offers in evidence deed marked "Ex. K, 4/30/90, A. J. H.," of which the following is a copy:—

Ex. K, 4/30/90, A. J. H.

THIS INDENTURE Made this Thirty-first day of March in the year of our Lord One thousand eight hundred and ninety (1890) between *Samuel R. Bullock* of the City of Brooklyn in the State of New York and *Carrie M.* his wife of the one part, and the *New Chester Water Company* of the other part, *Witnesseth:*

WHEREAS by virtue of a certain contract made the Twenty first day of March A. D. 1887 between Samuel R. Bullock and William S. Mercer composing the firm of Samuel R. Bul-

lock & Co. of the one part and the New Chester Water Company of the other part, the said Samuel R. Bullock & Co. did covenant promise and agree to and with the New Chester Water Company to erect and construct a complete system of Water Works and to furnish all the real estate material and labor necessary to complete the same clear of all incumbrances and to be paid for the same in certain shares of stock and of the bonds of the said New Chester Water Company.

And Whereas, in the performance of said contract the said Samuel R. Bullock & Co. purchased from the South Ward Water Works all its real estate plant and machinery and contributed the same as a part of the real estate and material necessary for the performance of said contract of the Twenty first day of March A. D. 1887.

And Whereas among other property derived from the said South Ward Water Works was the real estate hereinafter described and intended to form part of the complete plant of the New Chester Water Company.

And Whereas, in order to raise the necessary money to purchase the said plant of the South Ward Water Works said Samuel R. Bullock & Co. were obliged to borrow a large sum of money from William G. Hopper & Co. and in order to secure the same to pledge said real estate hereinafter described for the payment of said loan.

And Whereas on the twelfth day of July A. D. 1887 said Samuel R. Bullock and Carrie M. his wife by Indenture recorded the fifteenth day of July A. D. 1887 in the office for Recording of Deeds of Delaware County in Deed Book I No. 6 page 452 granted and conveyed unto Harry S. Hopper in fee *All those two certain tracts* lots or pieces of land with the reservoir buildings pipes wharf engines boilers, machinery and fixtures thereon erected, Bounded and described as follows; that is to say: *The first thereof* being all that certain lot or piece of ground Situate on the South side of Front

Street in the City of Chester in the State of Pennsylvania aforesaid, Bounded on the North by said Street on the South by the River Delaware at low water mark on the East by lands of Nathan Pennell formerly of Jacob Sinex and on the West by lands of the heirs of Benjamin Gartside deceased, containing in front on the said Street One hundred and thirty feet and in depth at right angles thereto continuing the same width about Four hundred feet to low water mark aforesaid. *And the second thereof* being all that certain tract or piece of land Situate on the East side of the Concord Road in the Township of Chester in the County of Delaware in the said State of Pennsylvania, Bounded on the Southeast by lands of Edmund Pennell containing along the Eastern side of said Road Two hundred feet and in depth along the line of land of the said Edmund Pennell Four hundred and thirty five feet and six tenths the Northwestwardly line being parallel to the line last described, Containing two acres of land (Being the same premises which David M. Johnson Thomas J. Houston William C Gray John Lilley Jr. and Jesse W. Rawcliffe members of the City Council of the City of Chester in the State of Pennsylvania for the South Ward thereof and *ex-officio* corporators of the Water Works of the said South Ward by their Deed dated the Seventh day of July A. D. 1887 duly executed and acknowledged and recorded in the office of the Recorder of Deeds in and for the County of Delaware in said State of Pennsylvania in Deed Book I No. 6 page 450 granted and conveyed to the said Samuel R. Bullock in fee).

And Whereas, the said Harry S. Hopper by a certain Declaration in writing signed on the twenty ninth day of July A. D. 1887 Recorded in the office of the Recorder of Deeds in for the County of Delaware aforesaid in Deed Book H. No. 6 page 518 did declare and say that the two last above described lots or pieces of ground were conveyed to him as security for moneys loaned and advanced by William G. Hopper & Co. to the said Samuel R. Bullock & Co. to enable them to complete the purchase of said South Ward Water Works and that when and as soon as said loan was

repaid he would reconvey the said property to the said Samuel R. Bullock.

And Whereas the said Samuel R. Bullock & Co. has been paid in full by the New Chester Water Company for the construction of said Water Works and for the real estate labor and material incident thereto including the real estate above described.

Now in consideration of the sum of One dollar to them in hand paid by the New Chester Water Company said Samuel R. Bullock and Carrie M. his wife do hereby grant bargain and sell alien release confirm and convey unto the said New Chester Water Company all their estate right title and interest property claim and demand of whatsoever nature and kind of in and to the last above described lots or pieces of ground with the reservoir, buildings, pipes, wharf engines, boilers, machinery and fixtures thereon erected.

To Have and to Hold the same unto the said New Chester Water Company its successors and assigns forever. And the said Harry S. Hopper is hereby authorized and directed when and as soon as the moneys due unto the said William G. Hopper & Co. shall be repaid to them to grant and convey to the said New Chester Water Company in fee the said two lots or tracts of ground with the buildings improvements and machinery thereon erected.

In Witness Whereof the parties to these Presents have hereunto interchangeably set their hands and seals the day and year first above written.

Sealed and Delivered in the presence of us The words "in writing" being first interlined over 1st line 3rd page before signing.

M. E. Wentworth
Geo. H. Corey.

SAM'L. R. BULLOCK [seal]
CARRIE M. BULLOCK [seal]

STATE OF NEW YORK
CITY & COUNTY OF NEW YORK } ss.

On the Thirty first day of March A. D. 1890 Before me the subscriber Geo. H. Corey a Commissioner for the State of Pennsylvania residing in the City of New York personally appeared the above named *Samuel R. Bullock and Carrie M.* his wife and in due form of law acknowledged the above Indenture to be their and each of their act and deed and desired the same might be recorded as such. And the said Carrie M. being of full age and separate and apart from her said husband by me thereon privately examined and the full contents of the said Indenture being by me first made known unto her did thereupon declare and say that she did voluntarily and of her own free will and accord sign seal and as her act and deed deliver the above written Indenture without any coercion or compulsion of her said husband.

Witness my hand and official seal the day and year aforesaid.

GEO. H. COREY,
[SEAL] *Commissioner for the State of Pennsylvania*
Office, 52 Wall Street, N. Y.

Objected to as made since the commencement of the proceedings.)

Cross-examined.

By MR. ASHHURST:

Q. When you considered the subject of making advances for these Chester Water-Works to Messrs. Bullock & Co., did you make no investigation of the character of those corporations—the New Chester Water Company and the South Chester Water Company?

A. Yes, sir; we had submitted to us the papers of the different companies consolidating them into one.

Q. Did you see the resolutions for the increase of the stock and for the issue of bonds? Were they submitted to you?

A. I think they were among the papers that were submitted to me. There was a set of papers submitted to us relating to the organization of the New Chester and South Chester, and the issue of the bonds and stock, which we went over and referred to our counsel to pass upon.

Q. Are the papers that were submitted to you the same as have been offered in evidence in this case on that matter, or how did they differ?

A. No, sir; I do not think they were all published in the evidence. I have not compared them. They were all of date, I think, 1887.

Q. They were all about March 17th, 1887, were they not?

A. Yes sir; I think that was the date of them.

Q. Were you not to receive practically all the stock and bonds of both corporations?

A. Not all the bonds at first. We were to have an option on the bonds. But we were only to take $500,000 of the bonds and all the stock of both companies.

Q. You were to recover all the stock of both companies from Mr. Bullock, were you not?

A. Yes, sir.

Q. Then you knew that Mr. Bullock controlled all the stock of both companies?

A. I knew we were getting it from him.

Q. Did you suppose, or were you led to suppose, that there was any other interest in the stock of those companies except Mr. Bullock's?

A. Yes, sir; Mr. Bullock said that he owed some of that stock, but that he could arrange to pledge it all with us.

Q. Did you understand that anything had ever been paid for that stock?

A. Yes, sir.

Q. That is, when it was taken?

A. Yes, sir.

Q. What did you understand had been paid in on that stock?

A. When it was brought to us we understood that there had been labor rendered and money expended on the works for which the stock was issued as compensation.

Q. When it was brought to you there was a million of stock—that is, twenty thousand shares at fifty dollars each of the New Chester Water Company, and $500,000, that is, five thousand shares at $100 each of the South Chester Water Company, was there not?

A. That was the capital stock; yes, sir.

Q. What amount did you understand at that time, or were you told, had been paid in on that stock, or what value had been given?

A. When he first came to us the stock was not all issued. The construction contract provided that the stock would be issued to Mr. Bullock as the work proceeded.

Q. Then you understand that the value of that stock was to be the construction contract?

A. No, sir; not altogether. There had been some of that stock issued for value outside of that.

Q. How much?

A. That I do not know.

Q. Have you practically received all that stock?

A. No, sir.

Q. What amount of the stock of the two companies has failed to come into the hands of you and your principal?

A. It has all been delivered to us, but we do not hold it all at this time. Yes; I should correct that by saying it was all delivered to us.

Q. And all the bonds of the companies, also?

A. No, sir; not all the bonds.

Q. What amount of bonds had been delivered to you?

A. There are some $65,000 that we have not received.

Q. Of which company?

A. Of the New Chester Company.

Q. Were you familiar with the increase of the capital stock of the New Chester Company from $500,000 to $1,000,000?

A. Yes, sir; I think that paper was among the papers submitted.

Q. Did you understand how that was paid up?

A. We understood that it was issued for value.

Q. What value?

A. In the way of increased expenses for work that was being done, and for other services.

Q. You say Mr. Bullock owes you in all an amount of $1,427,000, as represented by that note?

A. Yes, sir.

Q. Will you produce an itemized statement of that debt?

A. Yes, sir.

Q. Showing how much of it is advances, how much compensation, how much interest, and how much belongs to Chester, how much to Greencastle, how much to Mobile, and how much to any other work?

A. I will as far as we can. The advances were all made interchangeably; that is, the whole collateral was to be held as security for the whole loan. The $200,000 we have no record of at all as to how that was apportioned. That was the last $200,000.

Q. That was the amount advanced under Mr. Wood's guarantee?

A. And prior to that we looked upon all our collaterals as security for all our loans, and on that we overadvanced.

Q. You mentioned the payment of $313,000 by two certificates of deposit, which were offered in evidence; was that advanced on behalf of the New Chester or South Chester Company?

A. It was advanced on behalf of the completion of the works in carrying out the contract. Both the New Chester and the South Chester received the advantage of it.

Q. Did you receive bonds of either company as security for that advance?

A. We received as part of the security $300,000 of the South Chester bonds.

Q. It was the South Chester bonds that you received for that advance?

A. It was the South Chester bonds; yes, sir.

Q. Do you remember a change whereby the South Chester bonds, which were first handed to you for that advance, were changed to the New Chester bonds, and why that change was made?

A. No, sir. The New Chester bonds were all pledged to us. This was a change in the arrangements that made it necessary for us to take those bonds.

Q. And you had already received all the New Chester bonds?

A. No, sir; we had not received all of them at that time. They had all been promised to us.

Q. Have you any memorandum of the deliveries to you of the several items of bonds and stock of these companies?

A. Yes, sir; when we made the transaction we received the securities.

Q. Were they given to you all in a block, or were they given from time to time?

A. They were given to us from time to time as the contractors returned them.

Q. Were there any certificates of the contractors having earned them given to you at the time, or any vouchers?

A. There was usually a certificate of the engineer of the water company that so much work had been done and material furnished, entitling the contractor to so many securities under his contract, and, I think, in all cases those accompanied the bonds, and our advances were made on the bonds with the statement accompanying it.

Q. Will you kindly produce those statements and memoranda therefor of the amount of the bonds and stock received by you at the several dates?

A. Yes, sir.

Q. When you paid in this $313,000 for the South Ward Water-Works purchase, do I correctly understand you to say that you not only received bonds for the *pro rata* or corresponding amount of that advance, but also to the further security upon that property itself?

A. There was no *pro rata* about that advance on the bonds. We had to advance par on that—a little over. Our advance was $313,000, and we only received $300,000 bonds and the transfer of the South Ward Water Company's plant, which was made over to us at the time of the payment.

Q. Then you received two collaterals on that advance. In

the first place, bonds, and, in the second place, the transfer of the plant itself; am I right?

A. We were to get the transfer of the plant under the other arrangement. Our agreement shows we were to get the transfer of the plant; we were to hold all the bonds, all the stock, and the South Ward plant as security for our loan until the works were completed; and the change of putting up the $300,000 in cash was brought upon us at the last moment of the time for purchasing the South Ward works, and we took the $300,000 in bonds, which would otherwise have been deposited with the Chester National Bank.

Q. Which was the earlier lien as you understood it: your direct lien upon the plant of the South Ward Water-Works, or the lien of the bonds upon the same which were transferred to you?

(Objected to as a pure question of law.)

A. I don't know that we ever separated the two. We felt that we owned the whole business practically through our security.

Q. I see in the papers produced the transfer to you by Samuel R. Bullock & Co. in consideration of one dollar of all their title and interest to the personal property, and a like transfer of all the debts, &c., due the said South Ward Water-Works. These assignments to you on their face appear to be absolute. Did you execute any defeasance or paper showing that those were held as collateral, and, if so, what was the nature of that paper?

A. I executed a paper which states the circumstances under which the property was held, or rather was transferred to me, and that was executed some time in July, I think, or August, of 1887.

Q. Did it state the amounts for which it was held as collateral?

A. I do not recollect the details of it. I think it is the paper that has been offered.

Q. A declaration of trust has been offered as to the real estate conveyed, dated July 9th, 1887, which states generally that the transfers were made as collateral security for money

loaned. Did you execute any paper, or was any paper executed, showing the amount of money loaned for which these transfers were collateral?

A. I do not recall any specific paper of that kind. The loans were a part of our total loans we were making and were so considered. There were certain papers that the attorney prepared, and they were executed in carrying out the plans.

Q. Were these made as security for this $313,000, or for your general balance?

A. Both.

Q. Why did you not specify in any of these papers as to either real or personal estate the amount of your lien?

A. The amount of the lien was not then completed at that time. We were in process of advancing, and, as I before stated, we were to hold all the security until we were paid off, or whatever time it might be.

Q. If the bonds or a portion of those bonds had been sold, would they not, so far as the South Ward Water-Works property is concerned, have been subject to a lien intended to be created by those papers?

A. We do not contemplate that. I do not know that I can answer your question. That was not in the contemplation at all. The idea was to hold all the securities until the whole matter was closed up, and then the bonds would be offered as a first mortgage on the market. Until that time there was the outstanding $15,000 that we knew nothing about when we went down to purchase the works. Several matters had to be straightened out in that way.

Q. But practically you stood as holding the title to this real estate, and also the personal property, as security for an uncertain amount, which amount, however, included a specific advance of $313,000?

A. No; the amount was not uncertain at all; it was very definite up to each period.

Q. I mean at the date of the execution of these papers.

A. At the date of the execution of the papers, yes; we knew about how much we would have to advance to complete the works. Our agreement of June 13th shows that.

Q. You found some time in September, 1887, did you not, that your advances were practically exhausted under the previous agreement?

A. Yes; they were more than exhausted.

Q. Was that in August, 1887?

A. It was some time in August or September. No; it was, I think, about the beginning of September, 1887.

Q. Had the Holly Company put in its pumps at that time?

A. That I do not know.

Q. Do you not know as a matter of fact that the Kneedle pump had been sent or furnished by the Holly Company at that time?

A. No, sir; I did not know it at that time. Those were matters of detail that we relied on the contractor and the engineer of the water company to look after.

Q. You stopped at that time making, or you refused to make, any further advance, did you not, until R. D. Wood & Co. came in?

A. We declined to make Mr. Bullock any further advances until he gave us additional security, whether it was additional indorsement or additional collateral outside.

Q. When you stopped at that time did you look into the condition of the works?

A. We had the statement as to how matters were.

Q. Did you not know that at that time the only pumping machinery was the old machinery acquired from the South Ward Water-Works?

A. I do not know that we did. We had very full information from Mr. Bullock as to his needs, that they were pressing him, and he had made a miscalculation as to the cost, &c., but as to any specific detail of that kind I have no recollection.

Q. Do you not remember Mr. Bullock furnishing you a paper soon after that time, stating what would be needed to complete the works?

A. Yes, sir.

Q. And did not that include an estimate of $50,000 to be paid for two pumps?

A. It included estimates for pumps yet to be paid for at Chester and Mobile.

Q. Two pumps at Chester costing $50,000, and two pumps at Mobile, also?

A. If my memory serves me there had been payments made at that time on account of some of those pumps.

Q. On account of Mobile?

A. I do not remember which one it was. But we had statements that would show.

Q. You have said in your examination-in-chief that if the Holly Company's pumps were now to be removed it would make the works practically valueless, and the bonds equally valueless?

A. I did not put it just that way, but pretty nearly so.

Q. What would be the value of the works if the Holly Company's pumps had never been sent there and you had stopped as you were when you made your first stoppage of advances in August, 1887?

A. It would have been pretty nearly as bad, because we had paid for a considerable amount of work and material at the reservoir and through the city, that it made the pumps, or the pumps were a part of the contract.

Q. Now, the Holly Company, when you stopped advances in September, 1887, had neither furnished any pumps for that enterprise nor bound themselves to unless they were to be paid for. What equity do you think you have since acquired to have that enterprise, which was valueless in September, 1887, made valuable by the addition of two pumps costing $50,000 from the Holly Manufacturing Company without the same being paid for?

(Objected to.)

MR. HANNIS:—That is a question we are trying to find out in this proceeding.

A. We had no knowledge of that state of affairs. On the contrary, we presumed, or had reason to presume, that the pumps were all arranged for. Mr. Bullock's statements were that that was part of the work, and that it had cost him a great deal more than he had calculated when he first made arrangements for the advances—that work was very much

more expensive—and one reason I remember, the rain at Mobile had washed out the reservoir, costing $30,000 odd, and various other matters of that kind.

Q. Mr. Bullock's statement rendered to you in September, 1887, showed that the pumps had not been paid for up to that time, did it not?

A. It showed that there was a balance due on the pumps.

Q. Did it not show that the whole amount on the Chester pumps was yet to be provided?

A. The statement will show for itself. I do not remember the details of it.

Q. You had had certificates from Mr. Bullock showing what had been paid up to that time and what for?

A. We had had the company's report, I believe, in all cases of advances, certifying that the contractor was entitled to so much for work.

Q. Had it not specified what he was entitled to these advances for and giving details?

A. Not the details. It would simply state so much material furnished, so much labor done.

Q. Had it not stated whether the materials were pipe, or whether work on reservoir, or whether they were concrete?

A. They may have given the specifications in that way.

Q. By examination of those certificates was it not quite clear that on September 1st, 1887, nothing had been paid for pumping machinery.

A. I do not know that it was. Our reliance was on the pledge of the securities, and we looked to the water company to see that Mr. Bullock got his securities as he earned them. Now I do not know that we ever critically examined the statement as submitted any more than to see that the balance certified to corresponded with the amount of bonds or securities he would be entitled to. As to carrying out the details, whether so much was concrete, pumps, or reservoir, we were simply collateral holders, and it was not our province, we did not think, at that time, to become acquainted with all of Mr. Bullock's details as to what he was doing specifically.

Q. Did you never make any analysis or calculation of the cost of this construction?

A. Oh, yes; we had the estimates of Samuel R. Bullock & Co. We made our personal investigation, and we had corroborative testimony of that kind.

Q. Then did you not know from those papers, or had you not means of knowledge in your hand to know that nothing had been expended to that time for new pumping machinery?

A. I do not know that we had.

Q. (Paper shown witness.) Those are the statements that were furnished, are they not?

A. They do not look like the ones we had. The ones we had was the certificate of Engineer Fuller as to the amount of work, and of Mr. Delafield.

Q. And this is the statement of the amounts required to complete?

A. Yes, of the amount required to complete the works. What Mr. Bullock brought us was the statement of the engineer, if I recollect it rightly. They were much fuller than these. They were from Mr. Bullock. They were much more in detail. Mr. Bullock made several reports to us along September and October, at different times.

Q. Look at page 169 of the specification-book. Have you the original of that statement?

A. I have no knowledge; I do not recall anything in that shape.

Q. Have you the statement rendered you about that time?

A. I think we have.

Q. Will you kindly produce it?

A. If I have it I will.

Adjourned until Friday, May 9th, 1890, at 3 P. M. o'clock.

FRIDAY, May 9th, 1890, 3 P. M.

Present—Messrs. Ashhurst, Dale, and Hannis, of counsel.

MR. HOPPER, having been recalled, was further cross-examined, as follows:—

By MR. ASHHURST:

In answer to call heretofore made, the witness produces paper, stating that it was one of the papers usually received

with the bonds; that sometimes Mr. Bullock would send such papers afterwards, when they were not quite ready at the time—copies of the company's engineer's report, on which bonds and stock were issued.

Q. You have others besides this one?

A. Yes, sir; I have several others at the office.

(Said paper marked "A, May 9th, 1890, E. Z. B.")

Q. Is that paper identical with the copy of voucher No. 3, on page 133 of the specification-book now before you?

A. Yes; it is a press copy of that paper.

Q. Look now at page 132 of the same book; have you the paper from which that is copied?

A. I may have. I have not been able to find it. I probably received one similar to that.

Q. Please answer also as to the press copy at page 131 of the same book.

A. I cannot say whether I have that or not; but they were similar. There is nothing there to show that it was sent to us; I do not recall it.

(Witness requested to make diligent search and to produce all of said class of papers in his possession.)

THE WITNESS:—I would hardly be likely to remember them. While they were turned in with the bonds, we relied more on the stock and bonds of the company and on the company itself seeing that they were properly issued. So that I would not at this time recall whether those were the details or not.

Q. You do recall that that one is in the form in which they customarily came to you?

A. Yes, sir.

Q. You have heretofore said that you received a statement rendered to you at the close of August or in September, 1887; have you found that paper?

A. Yes.

(Witness produces two papers, heretofore marked "Exhibit A 15, November 7th, 1889, E. Z. B.," and "Exhibit A 17, November 7th, 1889, E. Z. B.")

Q. Viewing these two papers together, did you not learn from them that there were two pumps to be built by the

Holly Manufacturing Company yet to be supplied, which were to cost $50,000?

A. I learned that there were pumps to be supplied. The first paper I received was the one marked "Exhibit A 17." That made a statement of what was required to complete. I do not think both papers came at the same time.

Q. As to the paper marked "Exhibit A 15," how long afterwards did you receive that?

A. I don't know. I don't remember. My recollection was that there was a paper that came in some little time after our statements as to the cost of completion were made. The first statements we required from Bullock were how much money he would need in addition to the amount he already had to see him through, and Exhibit A 17 is what we received.

Q. That was sent you on October 15th?

A. It was a little later than that, probably, when we received it. It was sent to Bullock on October 15th from Fuller, at Chester, and probably came to us a day or two later.

Q. This statement of the total cost—what had been paid or what was yet to be paid—you think came later still?

A. That came later still; just when I am not able to say.

Q. Did it not come in about the time of the tripartite agreement?

A. It may have done so. I don't recollect any reason for asking for that. In point of fact, I was not aware that we had it until I discovered it in looking over the papers.

Q. Can't you approximate, in any way, the time of receiving Exhibit A 17?

A. I cannot. I don't remember any reason for our calling for that, and I don't remember the circumstances under which it was submitted. There were quite a number of papers submitted at different times during September and October, and later than that.

Q. When you made the agreement of June 13th, 1887, that contained a provision for the delivery to you of the bonds of the New Chester Water Company, amounting to

$500,000, and the stock of that company, and also for the property of the old South Ward Water-Works, I do not find in that agreement any provision with regard to either the bonds or the stock of the South Chester Water Company. Was there an agreement as to the delivery of either of those?

A. I think I have already explained that. The $300,000 referred to there is the South Chester, and the South Chester stock should have been included in that agreement. That was the understanding, that we were to get all the stock of both the New Chester and the South Chester, so as to have control of the two companies. The $300,000 bonds of the South Chester were to be deposited with the Chester National Bank, with our guarantee that an equal amount of them would be taken up as the bonds of the old South Ward Company matured.

Q. Then, apart from that $300,000, which was to be deposited in the Chester Bank, the only advances that you were to make to Chester were to be, in the first place, fifty per cent. on the $500,000 bonds, making $250,000, and a subsequent increase to sixty per cent. when the work reached a certain stage of completion?

A. That is my recollection.

Q. Did you make advances at the rate of fifty, or did you make them at once at the rate of sixty?

A. We made them at the rate of fifty.

Q. What you advanced for the Chester was the $250,000?

A. No, sir. You have asked me whether I made them first with the advance of fifty. We did, and afterwards increased them to sixty.

Q. At what time did you make the increase?

A. Some time in July, 1887, after Bullock stated that the works were far enough along to entitle him to that.

Q. Did you get a certificate of the progress of the work, it being three-fourths completed?

A. No, sir; I think we took Mr. Bullock's word for that, as we had every confidence in him. He had gotten enough money to make us think that he had done that much work.

Q. There was $300,000 to be paid for the South Ward

Water-Works, which was increased, as you have said, to $313,000?

A. I don't recollect stating that as you put it. I have also made one other mistake that I want to correct, through taking it as you stated it.

Q. Were you not called upon for $313,000?

A. Yes; we were called upon for $313,000 for the purchase of the South Ward Water-Works. I desire to make two corrections in my testimony. I have stated $500,000 as the total capital stock. Your question was, was there not $500,000 stock of the South Chester, and I said yes. It should be $600,000. I also misunderstood Mr. Hannis' question regarding the $313,000. He asked whether any of that came back to us—understanding that in the way of commissions—and I said no. The circumstances of that were that we received $300,000 of it from one party and $13,000 from another party. The amount Bullock required at the last moment was $313,000, and he afterwards paid back to us the $13,000 that we had borrowed from another party, so that the $13,000 is not included in his total indebtedness, but the $300,000 is. The total amount of cash paid was $313,000, of which we received none back in the way of commissions, but we received $13,000 back as part of a loan that we had to make. That was a special loan. All that we could raise from one-quarter was $300,000, but Bullock could not get along with less than $313,000, and we raised $13,000 in another direction, and, it being special matter, Bullock afterwards returned it.

Q. Have you made out a detailed statement of advances for the Chester Water-Works?

A. I have. (Producing same.)

Q. The original advances for Chester end on August 30th, 1887, and after that date those are renewals on the first page?

A. Yes, sir.

Q. On the second page those after February 1st are renewals?

A. Yes, sir.

(Said paper marked "B, May 9th, 1890, E. Z. B.")

Q. I see that under date July 7th there is an entry of 325,810. Was that the $313,000 with the discount and commission?

A. No, sir; that was the $300,000 with the discount and commission added.

Q. All these loans, then, include the discount and commission? I mean the entries in the first column.

A. No, sir; when we first started in he paid us the discounts and commissions in cash.

Q. Then the first item under date June 10th, of $50,000, where you received as collateral one hundred bonds—the $50,000 represents the actual amount loaned?

A. It represents the amount of the note that we discounted for him at that time under the terms of our agreement.

Q. It does not represent the amount that Mr. Bullock actually received at that moment?

A. No, sir.

Q. From that note what would have to be deducted to ascertain what Bullock actually received?

A. Discount at the rate of six per cent. per annum for the number of days covered by four months and three per cent. commission.

Q. Then that item of commission and interest following would have to be taken off from the $50,000 to ascertain what Mr. Bullock would actually receive for the purposes of the work at that time?

A. Yes, sir.

Q. That is carried out throughout?

A. Yes, sir.

Q. Then from the item of $325,810, on the 7th of July, were to be deducted $19,300 commission and $6510 interest?

A. Yes, sir. That leaves $300,000.

Q. By looking at this paper, can you state when you began to give the sixty per cent.?

A. It was on July 12th, 1887. Mr. Bullock then claimed that he was entitled to ten per cent. additional; that he had complied with the terms of the agreement; we advanced him $38,700 on the three hundred and eighty-seven bonds that we

had already in our possession, on which we had already advanced fifty per cent.

Q. In the two remaining advances you made them at the rate of sixty per cent.?

A. Yes, sir.

Q. Did you at any time make the advances of seventy-five per cent. calculated for in the agreement?

A. No, sir; our agreement of October 26th released us from that seventy-five per cent., and the additional $200,000 that we advanced under the October 26th agreement was in consideration of our other obligations being canceled, and we started in a new deal on the basis of our indebtedness of October 26th, 1887, the $200,000 additional to be advanced from that date, which was really considerably more than we were obliged to advance under the original agreement.

Q. Those advances that you did make, however, of fifty per cent. and sixty per cent. respectively, included commission and discount, but not special compensation?

A. It included commission. We were paid the commission and the discount on all of them down to August 30th; but it did not include any of the special compensation—or rather the compensation arranged for in our agreement. What we received were commissions for special services rendered, as, for instance, that $300,000.

Q. They were the commissions mentioned in the agreement?

A. No; we received in addition to that the commission that is mentioned in the agreement. When Mr. Bullock would come to us and change the agreement, and say that he must have $300,000 in cash, when we did not expect to put up any cash, we said that he must pay us an additional commission for it.

Q. That commission was at a greater rate than three per cent.?

A. That was about at the same rate as three per cent. additional. It amounted to $10,000 on the $300,000.

Q. That was special?

A. A special commission for special services.

By MR. HANNIS:

Q. That is about three and one-third per cent.?

A. Yes, sir.

By MR. ASHHURST:

Q. Besides the three per cent. allowed under the agreement?

A. Yes, sir.

Q. The second page of this paper and the advances running from October 27th to February 1st inclusive, include Mobile as well as Chester?

A. Yes, sir; Mobile, Chester, and Greencastle.

Q. Have you a statement from Mobile prior to that?

A. I have, but the statement which I now hand you includes all—Mobile, Chester, and Greencastle.

(Said paper marked "C, May 9th, 1890, E. Z. B.")

THE WITNESS:—That includes also the special loan, which was afterwards paid off, of $26,000. That was paid off by the sale of part of the collateral.

Q. You mentioned that construction contracts between Messrs. Bullock & Co. and the Chester Water-Works were shown you?

A. Yes, sir.

Q. Were the specifications accompanying those contracts shown you at the same time?

A. I don't know whether they were shown us at the same time or not, but we saw the specifications.

Q. Do you know where those specifications are—have you got them?

A. I may have them.

(Witness requested to produce same, and Mr. Dale and Mr. Ward also called upon to produce same if in their possession.)

Mr. Dale states that he will inquire of Mr. Ward upon the subject, but that R. D. Wood & Co. have no knowledge of said papers.

MR. ASHHURST (to the witness):—You produced at the last meeting a declaration of trust in favor of Mr. Bucknell, dated 9th July, 1887. That was made, was it not, before Mr. Bullock made the conveyance to you of the 12th of July, 1887?

A. It was executed on the 9th of July.

Q Do you remember a conveyance that Mr. Bullock made to you on the 12th of July?

A. I don't remember it in the way in which you ask me about it as of that date, but I remember his making a conveyance of certain property.

Q. In the declaration of trust which you produced at the last meeting, reference is made to a bond and mortgage of $53,700, for which a deed for real estate is to be substituted. Was that bond and mortgage surrendered and canceled—was the mortgage satisfied?

A. I don't remember seeing the mortgage. I remember the deed.

MR. HANNIS:—Immediately after the execution of the bond and mortgage, Mr. Bullock, for some purpose of his own, and I forget now what it was, requested that we should allow him to substitute a deed for the property instead of the bond and mortgage. That was assented to, and upon the delivery of a deed for the property the mortgage was surrendered. I find, however, that the bond still remains among our papers here. That mortgage was never recorded.

(Mr. Hannis produces deed referred to in said declaration.)

MR. ASHHURST (to the witness):—Do you know how the consideration of $53,700 was arrived at?

A. That was part of the property that we purchased with the $313,000. The property covered by that deed was a part of the property conveyed to us by the payment of the $313,000.

Q. The declaration of trust dated July 7th, 1887, was never recorded?

A. No, sir; it does not appear to have been.

Q. Subsequently, on the 29th of July, you executed another and different declaration of trust of this real estate?

A. Mr. Bullock wrote us a letter—I don't know whether it was a letter or verbally; but the reason of this being executed was that Mr. Berrian said that he had given certain papers to me individually, which, in order to carry out his contract with the New Chester Water Company, in the event

of anything happening to me, would probably embarrass him, and, therefore, he thought it was no more than right that I should execute the paper which he inclosed or handed me. Mr. Hannis was at that time out of the city, and I took the paper, and told him I would send it to Mr. Hannis, and if he saw no objection to it I would execute it. I did send it to Mr. Hannis, who returned it with permission to execute it. Mr. Bullock's idea was that this property, as I have said, would probably embarrass him if he did not have it in such shape that he could reconvey it to the New Chester Water Company.

Q. What did you do with this declaration of trust dated the 9th of July?

A. We kept it with our other papers and documents that we had in that connection.

Q. You did not deliver it to anybody?

A. I think we gave it to Mr. Bucknell. We may not have handed it to him, because we held all the notes and the collateral in this transaction ourselves.

Q. In the conversation that took place between you and Mr. Hildreth in January, 1888, do you remember his asking you about the agreement to advance an additional sum to Mr. Bullock beyond the first contract?

A. I remember his making a statement to that effect, stating to me that Mr. Bullock had made such a statement to him, and asking me whether it was correct or not.

Q. You told him it was?

A. I told him it was correct.

Q. Do you remember his asking you whether that was made on a liberal estimate for completion of the works?

A. He asked me whether I considered that would secure the completion of the works, or words to that effect; whether we felt assured that the works would be completed—and I told him that I did.

Q. Do you remember telling him that nothing had yet occurred which caused you to fear a shortage?

A. I don't remember saying anything about a shortage.

Q. Do you remember his telling you that Bullock was then

behind some $13,000 in his payments, and that he owed the Holly Company about $82,000 on Chester and Mobile?

A. I remember something to this effect: that Bullock had made and was about making contracts with them for additional work—that is, additional to what he had already made with Chester and Mobile—aggregating quite a large sum. I don't know that the amount was mentioned. It was for that and in view of the new work, as well as the work that was already under way, that he wanted this confirmation.

Q. Don't you remember his telling you that there was $82,000 due on Chester and Mobile?

A. No, sir.

Q. Did you not know at that time that the Holly Company was holding the second Mobile engine on the cars, and had not sent it up to the works?

A. No, sir; I don't recall having any knowledge of those details.

Q. Did you not know that the Chester engines had not yet been delivered, or that one of them had not been delivered at all at that time—that it had not yet been brought down?

A. No, sir; I don't recall any knowledge of that.

Q. What expectation had you of the works being completed—what reason had you to expect that?

A. We had Bullock's statement that so much money would complete the works, and that amount having been secured to him, we saw no reason why the works should not be completed.

Q. You knew that all that money had been paid Bullock except $389?

A. That is all that we were to advance.

Q. That was all that you knew had been secured to him, was it not?

A. We have the agreement of October 26th, which, I think, answers that question.

Q. You meant that the Woods were going to advance a further amount beyond the $200,000?

A. We understood that they would advance an additional sum; yes, sir.

Q. Why did you not tell Mr. Hildreth on that occasion that your advances were practically exhausted?

A. I had never seen Mr. Hildreth before. He came to us without any introduction, and I don't think it was our province to open our books to a perfect stranger. He asked me for the confirmation of Mr. Bullock's statement, and that I gave him. When he asked me what amount was yet to be advanced, I, without Mr. Bullock's authority, did not think it was right for him to know.

Q. When you told him that the advances were not yet completed, do you think that was, while literally correct, correct in spirit?

A. Yes; I think it was. In the first place, at the time Mr. Hildreth was there I did not look at the books, and I did not know that there was such an amount as that only left. In the second place, I considered that the works would be finished and the money provided.

Q. Did you not know that if you told Mr. Hildreth those advances were completed the second Mobile engine would never have been taken off the cars, and that the second Chester engine would never have been sent from New York?

A. No, sir. I do not think I misled Mr. Hildreth at all in the matter. I told him just exactly what I thought at the time. I knew nothing about the location of the pumps—whether they were on the ground set up and finished, or on the cars.

Q. Mr. Hildreth, on the 26th of January, 1888, wrote to his company saying, speaking of his interview with you, "I told them about the lien and possession clauses in our contract, and that we were holding possession at Mobile." Do you say that he never said that to you?

A. I have no recollection of anything of the kind. The impression I have of that whole meeting was that Mr. Hildreth wanted a confirmation of Mr. Bullock's statement as to the additional arrangement for money to complete the works. That was the thought running all through it. If there was anything about a lien, as Mr. Hildreth intimates in that letter, it was done in such a way that it was not impressed upon my mind—certainly not as a contractual lien.

Q. Will you say that he did not tell you he was holding possession at Mobile?

A. I have no recollection of his saying anything about holding possession of the pumps, or the position in which the pumps were.

Q. You made no memorandum of this conversation at the time, did you?

A. No, sir.

Q. Mr. Hildreth also wrote, speaking of his interview with William G. Hopper & Co.: "I told them that Bullock was behind in his payments to us to the extent of some $13,000 on account of Mobile; that he was owing us in Chester and Mobile some $82,000; that he had made promises which he failed to keep; and that we naturally felt some solicitude as to how he was likely to come out." Do you remember his telling you that?

A. I remember his saying that Mr. Bullock owed them considerable money, and was about entering into new contracts in addition to those already entered into.

Q. Do you say that he did not tell you that he was owing them $82,000?

A. I don't remember any amount stated as to their indebtedness. I think what he said was that he owed them a large sum of money.

Q. He also wrote: "They believed he would come out all right, and that they had faith in him." Do you remember saying that?

A. That was the purport of what I said.

Q. He also wrote: "In answer to a question as to what they would do in case he was unable to complete the works within the limits of their loan, they said they did not think it was wise to change horses while crossing a stream, and that they would have to help him through." Can you say whether or not that was said?

A. I have no recollection of saying anything about helping him through. I did not think it was necessary. The arrangements had been all made, as we presumed. We had helped him, or were helping him through to a pretty good extent.

Q. In your examination-in-chief you said Mr. Bucknell transacted all the matters through you. Do you not know of Mr. Bucknell and Mr. Bullock having frequent conversations in this matter about the Chester Water-Works?

A. Mr. Bucknell and Mr. Bullock used to have conversation in a general way, but all matters as to details of the business or the conduct of it were referred to us.

Q. Did Mr. Bucknell not have frequent interviews with Mr. Bullock during the summer of 1887?

A. I think Mr. Bucknell usually saw Mr. Bullock whenever he came over, if he happened to be in the office; or, rather, Mr. Bullock would see him.

Q. When did you first learn that the pumps belonging to the South Ward Water Company were obsolete and inadequate?

A. I do not quite understand the question; obsolete and inadequate for what, do you mean?

Q. I mean inadequate for the purpose of supplying the city of Chester with water.

A. That is the reason why the New Chester Water Company went down there. They had a very inadequate supply. That was the cause of the new works being built.

Q. When did you learn that the pumps at the South Ward Water-Works were obsolete and not of sufficient power?

A. That was one of the reasons why it was proposed to build the new company's works—because the old company could not furnish the water.

Q. Then you knew at the beginning, and the very first of your idea was that new pumping machinery would be required?

A. Yes, sir; new pumping machinery would be required.

Q. And you knew on the last of August, when your original advances stopped, that no new pumps had been obtained, did you not?

A. No; I think Bullock had at that time the pumps at Mobile. I think he also stated that he had the pumps at Chester, or part of them.

Q. The pumps at Chester were contracted for on the 3d of

August, 1887. You knew that nothing had been paid for them on the last of August, did you not?

A. No; I don't know that I was acquainted with those details.

Q. You knew that on the 15th of October, when the letter showing what was necessary to complete the works was furnished, did you not?

A. We knew from our statement then that they had not been paid for.

Q. That nothing had been paid for on account of them?

A. There had been some payments made on pumps; whether they were Chester or Mobile I don't remember just at the moment.

Q. Did you not know the Chester pumps were to cost, roundly, $50,000?

A. Yes, sir.

Q. And that $50,000 was mentioned as one of the items still to be furnished in the statement of October 15th?

A. My recollection is that the amount to be furnished for pumps was in excess of $50,000. The total amount that I have in my mind to be furnished for pumps was in excess of $50,000. That is, the amount yet to be paid.

Q. Referring to pipe, boilers, steam-fitting, and other appurtenances to the pumps?

A. I refer to the pumps, too. The $50,000 was at Chester.

Q. The two Chester pumps were to cost $50,000?

A. Yes, sir.

Q. The statement of the 15th of October showed that nothing had been paid for them up to that time.

A. That is correct; yes, sir, The amount I had in mind was in excess of that, but how it was divided between Chester and Mobile I couldn't say.

Q. Between that and the 26th of January, you knew all that had been paid, did you not—you had received statements of everything that had to be paid?

A. I think we received copies of what the money was wanted for with each payment.

Q. Then you practically knew, or had in your hands the

means of knowledge, had you not, on the 26th of January, that the $50,000 for the pumps was totally unpaid—when you first saw Mr. Hildreth?

A. By reference to the statements that were made, I could have answered then whether, according to those statements, they had been paid or not.

Q. Did you know nothing as to what was the condition of matters at Chester, as to the pumps being sent on and delivered?

A. I went down to Chester on one occasion and saw one of the pumps which was then, I think, set up, and parts of the other pump were on the ground. That was some time in 1888—the early part of 1888.

Q. Don't you know that the first pump was sent down to Chester in the end of November, 1887, and the second in March, 1888?

A. No, sir.

Q. And that at the time of your conversation with Mr. Hildreth neither of them had been put in use?

A. No, sir; I don't remember that. I remember that at the time of my conversation with Mr. Hildreth I had every confidence in Mr. Bullock carrying his contracts through, and as to the details with regard to the then condition of affairs I was not acquainted. Our agreement of October 26th, together with our advances, I considered gave me sufficient authority to say what I did, and I had every confidence when I said it.

Q. How much of the stock of the New Chester Company had been issued when Mr. Bullock, who held it, came to you?

A. That I don't know.

Q. Did you know whether it was issued, as a matter of fact?

A. I know that the stock was issued as full-paid stock when we received it.

Q. Who did you understand that it belonged to before it belonged to you?

A. I didn't inquire into that point.

Q. You received it as additional to the security to the bonds?

A. We received it under our agreement that we made with Bullock, that he was to procure that stock and deliver it to us in addition to the bonds.

Q. And you advanced fifty per cent. and afterwards ten per cent. more, making sixty per cent. of the face of the bonds, receiving all the bonds and also all the stock?

A. We did not receive all the bonds.

Q. You did *pro rata* to that extent?

A. Yes; we advanced to that extent on the New Chester and on the South Chester– we advanced in excess of the amount of the bonds.

Q. Do you know of Mr. Bullock giving anything to the companies for those bonds and stock beyond what he received from you?

A. When a person comes in to us and wants to make a collateral loan and brings in stock or bonds, unless we have some evidence to the contrary, we take it for granted that he has come by those securities honestly. If we have not sufficient faith in him to believe it we do not make the transaction with him.

Q. You have read the construction contracts, have you not?

A. Yes, sir.

Q. Then you knew he was to receive those bonds and stock?

A. Yes, sir; a portion of them.

Q. Practically the whole of those bonds and stock for his construction contracts, did you not?

A. No, sir; there was only a portion of the stock to be received, and all the bonds.

Q. What resources had Mr. Bullock for carrying out his contracts beyond the advances that you made him?

A. We had been dealing with Mr. Bullock for some years, and we had reason to believe that he made considerable money out of the transactions that we had had before. In addition to the transactions with us, he had had dealings with the First National Bank of New York, Post, Martin & Co of New York, and some parties in Baltimore. He had sold

pretty much all of his bonds—all that we had he had sold—and he had disposed, we knew, of the bulk of the other bonds. In addition to that he had made transactions in a street railway company in Paducah, and we looked upon him as a very successful contractor.

Q. Did you understand that he was putting in any considerable amount of money beyond what you advanced him?

A. Yes, sir; we understood that in these works he put in at least one-third. Our advances usually did not commence until he had put in one-third—that is, until one-third of the work had been done.

Q. And you practically considered that you put in about two-thirds and advanced two-thirds, he putting in one-third?

A. I don't say that; but we did not commence to advance until at least one-third of the work had been done.

Q. If you were to have an option of taking the bonds at ninety-five, on which you already had advanced sixty, you could not have supposed that Mr. Bullock could have put in more than thirty-five?

A. I do not see that that would not be a supposable case. We rather expected that he would put in more than thirty-five—it would make rather a close deal on that.

Q. Would he not have been a loser if the bonds were taken at ninety-five?

A. No, sir; he had stock coming to him as part of his contract.

Q. Were not you to receive all the stock?

A. Only as collateral. We were to receive some in compensation, but only a small proportion of it. I think, one hundred thousand in New Chester, and fifty thousand in South Chester. All the balance of the stock went to him, or to parties who were interested with him.

Q. Where is it specified as to the amount of stock you were to receive?

A. In the agreement of June 13th it specifies a portion of it, and then, in consideration of other matters that we did, it reads, "Also the sum of $100,000 in the capital stock of said company." $50,000 in the South Chester came to us on ac-

count of that special arrangement. I do not think the South Chester stock—fifty thousand—is mentioned in that agreement. That came to us by reason of some special services that we rendered him.

Q. Do you remember the proposed increase of bonds and stock, putting the two companies together, and making a capitalization of two millions of stock, and the bonds one million?

A. I remember that was talked of; yes, sir.

Q. Did you assent to that proposed change?

A. Well, we were holders as collateral, and we would not have interposed any objection. I think we practically said that, if our security was made satisfactory, we would not object to its being done. If I remember rightly, the idea was to issue two millions of stock and one million of five per cent. bonds, in lieu of the eight hundred thousand. The $800,000 were six per cent., and the company were to make those at five per cent., which would not practically increase their charges.

Q. The total value of the property, however, securing the bonds and stock, would not have been increased by this arrangement, would it?

A. Yes; there would have been an increase by the extensions. We found that there was considerable more work doing at Chester. When Bullock first started in he thought he had covered the growth of the city and its requirements for five or ten years to come. Chester had quite a boom, and that expectation was not realized. We will have to have considerable additional money in Chester before we reach the present extent of the boom.

By Mr. Hannis:

Q. That is, for extension of these water-works?

A. Yes, sir; that is additional work that was not contemplated originally.

Adjourned to 3 P. M., Friday, May 23d, 1890.

FRIDAY, May 23d, 1890, 10.30 A. M.

Present—The Examiner; Mr. Ashhurst and Mr. Hannis, counsel.

(Mr. Hopper produces under call specifications of the water-works of the New Chester and South Chester Water Companies, the same being marked "Ex. No. 1, May 23, '90, A. J. H."

Also vouchers No. 2 and No. 3 of the South Chester Water Company, and No. 2 and No. 4 of the New Chester Water Company, the same being marked, respectively, "Ex. No. 2, Ex. No. 3, Ex. No. 4," and "Ex. No. 5, May 23, 1890, A. J. H.")

Examination of HARRY S. HOPPER resumed:—

By MR. ASHHURST:

Q. You made the advance of the $200,000 mentioned in the tripartite agreement, did you not?

A. We made that advance; yes.

Q. By the third clause of that agreement Wood & Co. agreed in consideration thereof to procure the completion of the said water-works at Chester, Mobile, and Greencastle, according to the specifications and clear of all liens ahead of the securities held by William G. Hopper & Co. with the utmost diligence and without delay. Do you hold Messrs. Wood & Co. to that agreement?

A. Yes, sir.

Q. What arrangement has been made between you and Messrs. Wood & Co. as to their liability to you under this agreement?

A. There was no agreement made other than our agreements.

Q. Have they asked you to join with them in defending this suit?

A. We have been forced to join in the defense of the suit for the protection of our collateral.

Q. Why do you not compel the performance of that agreement by Wood & Co.?

A. I don't know as I am prepared to answer that question.

Q. Is there any agreement between you and Wood & Co. by which they agree to indemnify you in consideration of your joining with them in defending this suit and not at once enforcing this agreement against them?

A. When the suit was brought we said it was a matter in which we had no interest, that we were forced to be a party defendant to it by virtue of circumstances, and to protect our interests we would have to make a reply, and if we did make such a reply, that Wood & Co. would have to bear the expenses of the litigation of the matter. That was the arrangement on the matter.

Q. Do you not understand that you have under this agreement a right to compel Wood & Co. to complete the waterworks according to the specifications?

A. You, as a lawyer, could answer that question better than I can. We have our views on the matter. The agreement I think, is very plain.

Q. Was not that your intention and understanding in making the agreement?

A. Our intention and understanding and expectation in making the agreement was that the works should be finished according to specifications clear of all liens, and the contract that had already been entered into would be carried out so far as our securities were concerned.

Q. When you had the conversation with Mr. Hildreth in January, 1888, and told him you thought Bullock could carry the work through to completion, had you not in mind and did you not refer mentally to Mr. Wood's agreement with you—the tripartite agreement?

A. Yes, sir.

Q. What is the total amount of commissions and interest which you have received in these transactions up to the present time?

A. I furnished a statement at the last meeting which shows that. I do not remember the figures now.

Q. Does that statement include Mobile and Greencastle?

A. No; we have not made that up. We only made it up for Chester.

(Mr. Ashhurst calls for similar statement in relation to Mobile and Greencastle.

Objected to by Mr. Hannis as not involved in this proceeding.)

THE WITNESS:—You have a statement of the totals as to Mobile and Greencastle, and the details entire as to Chester.

Adjourned to 3 P. M. Friday, May 23d, 1890.

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3 P. M.

(In response to request previously made, Mr. Wood produces statement of cost of construction at Chester, Mobile, and Greencastle over and above estimated cost previously referred to in his testimony, marked "No. 6, May 23d, 1890, E. Z. B.")

WALTER WOOD, having been recalled, was further cross-examined as follows:—

By MR. ASHHURST:

Q. (Specifications for the water-works of the New Chester and South Chester Water Company, marked "Exhibit No. 1, of May 23d, 1890," shown witness.) Did you see those specifications, and were they called to your attention prior to the execution of the tripartite agreement?

A. No, sir; not the details of them. They were simply referred to in general terms.

Q. Was the paper shown you?

A. No, sir.

Q. When did you see that paper for the first time?

A. I think I saw it for the first time about a year after the tripartite agreement.

Q. Then, when you knew the tripartite agreement provided for the completion of the water-works according to the specifications, you made that agreement without knowing what those specifications were?

A. I made that agreement, having the assurance of Mr. Bullock of what was required to complete the works, upon his statement, but without examining the specifications. He had always shown himself up to that time to be a reliable man, and we took his word for it.

Q. Did you ever ask to see the specifications?

A. The specifications here are similar in character. There is generally very little variation.

Q. They are in great measure printed blanks for water-works, are they not?

A. Specifications for similar work are generally similar.

Q. There is a general form as to such things, is there not?

A. No; I cannot say there is a general form, but they have a similarity.

Q. Are not the general portions of such specifications such as instructions to bidders and the form of bonds and contracts and general conditions, usually similar?

A. They vary generally in every case. There is a general similarity, however, because the subjects are similar. The details are not always the same.

Q. Did you not know that Mr. Bullock had power to give a lien to individual contractors?

A. I had no such information.

Adjourned.

WEDNESDAY, May 28th, 1890, 3 P. M.

Present—Messrs. Dale, Hannis, and Ashhurst, of counsel.

DR. J. L. FORWOOD, having been duly sworn, was examined as follows:—

By MR. HANNIS:

Q. You are a practicing physician in Chester?

A. I am.

Q. You have been mayor of that city, also, have you not?

A. Yes, sir.

Q. During what period were you mayor?

A. From 1872 to 1881, and from 1884 to 1887.

Q. Do you hold any office in the New Chester or South Chester Water Companies?

A. Yes.

Q. What office do you hold?

A. President of both companies, and director, also, in both companies.

Q. You have been director and president for how long?

A. Ever since the organization of the companies.

Q. During all the time that you were in office, did you ever have any notice or knowledge of any claim by the Holly Manufacturing Company to have a lien or claim of any kind on the works of the New Chester Water Company?

(Objected to as leading. Question withdrawn.)

Q. What knowledge, if any, had you, during the time that you have been president or director of this company, of any lien or claim which the Holly Manufacturing Company alleged to have against the water-works of the New Chester Water Company?

(Objected to as above.)

A. I had no knowledge of any such claim, or of any claim for lien, until an effort was made by the Holly Company to take possession of the pumps. That date I don't recollect.

Q. Do you know about when it was?

A. About a year ago, probably.

Cross-examination.

By Mr. Ashhurst:

Q. When did you become president of the New Chester Water Company?

A. When the company was first organized.

Q. When was that?

A. I don't recollect the date. We were two or three years trying to get capital. It was several years ago.

Q. What was the amount of stock of the New Chester Water Company when you became its president?

(Objected to and, under advice of Mr. Ward, the witness is instructed not to answer the question, this not being cross-examination.)

A. I will answer any question in cross-examination growing out of the questions asked me by Mr. Hannis.

By Mr. Ashhurst:

Q. Will you answer this question or not?

A. No, sir; under instruction I refuse.

Q. How much stock do you hold in the New Chester Water Company?

A. I have some of it with me. (Handing certificates for same to counsel.)

Q. Do you hold five shares of the stock of the New Chester Water Company?

A. Yes, sir.

Q. Is that all the stock you hold?

A. No, sir.

Q. What else do you hold?

A. I object to answering that question on the same ground that I did before, under instruction as to answering the questions on cross-examination, except in answer to the direct questions.

Q. When did you first acquire stock in the Chester Water Company?

(Objected to.)

A. I decline to answer that question.

Q. What amount, if any, did you ever pay for stock in the New Chester Water Company?

(Objected to.)

A. I decline to answer.

Q. Did you ever pay anything for stock in the New Chester Water Company?

A. I decline to answer.

Q. Do you remember an increase of the capital stock of the New Chester Water Company?

(Objected to as above.)

A. I decline to answer.

Q. Did you serve as judge of an election for the New Chester Water Company—for an increase of stock?

(Objected to as above.)

A. I decline to answer.

Q. Do you remember a construction contract made by the New Chester Water Company with S. R. Bullock & Co.?

(Objected to as above.)

A. I decline to answer.

Q. Was that construction contract passed upon by your board?

(Objected to as above.)

A. I decline to answer.

Q. Do you remember a transfer of interests in the water companies in which you were interested to S. R. Bullock & Co.?

(Objected to as above.)

A. I decline to answer.

Q. Look at "Exhibit F, September 28th, 1889." Do you remember executing that contract?

(Objected to as above, and witness instructed not to answer the question.)

A. I decline to answer.

Q. Were you a director of the New Chester Water Company as well as president?

A. Yes, sir.

Q. In acting as such director and as president did you exercise an independent volition and act according to your discretion and judgment, or did you register the edicts and directions of Mr. Bullock?

A. I decline to answer.

Q. In executing the construction contracts with S. R. Bullock & Co. for the works of the water companies, did you examine those contracts for yourself, or did you simply execute them because you were told to by Mr. Bullock?

(Objected to as above.)

A. I decline to answer on the same principle.

Q. Did you see the specifications for the contracts with S. R. Bullock & Co.?

(Objected to.)

A. I decline to answer.

Q. Who was the treasurer of the New Chester Water Company?

(Objected to.)

A. I decline to answer.

Q. Did the treasurer of the New Chester Water Company act under your directions or under those of S. R Bullock & Co.?

A. I decline to answer.

Q. Were you anything more than a figure-head obeying Messrs. S. R. Bullock & Co.'s directions in the management of the concern?

A. I decline to answer.

Q. Was there any occasion for S. R. Bullock & Co. to give you any information as to the contracts that they had with other parties for the erection of the works?

A. I decline to answer.

Q. Would it not have been inconsistent with the whole course of dealing with you and with the water companies for them to have informed you of the nature of their contract with the Holly Company, since you were only bound to obey their directions?

(Objected to.)

A. Well, you partly answer that question yourself. I do not propose to have words put in my mouth. I object to the question being asked and answered by you. I have said nothing yet.

(Question repeated.)

A. I shall make no answer to that question.

Q. Did Bullock & Co. ever inform you of any provisions of their contracts as to building the water-works?

A. I decline to answer.

Q. Did you know with whom they made their different contracts?

A. I decline to answer.

Q. Do you remember the purchase of the South Ward works?

A. I decline to answer.

Q. Was it part of the original plan that the South Ward works should have been bought by Bullock & Co. or by the New Chester Company?

A. I decline to answer.

Q. Did Bullock ever turn over the water-works to the company of which you were president, or either of the companies?

A. I decline to answer.

Q. Do you know Mr. Lockman?

A. I decline to answer.

Q. Do you not know that Mr. Lockman is a representative of the Holly Company, who has been in possession of the engines as their representative from the time they were placed there?

A. I decline to answer.

Q. Do you remember when the engines of the Holly Company were brought to Chester?

A. I decline to answer.

Q. Do you remember when either of them were brought there?

A. I decline to answer.

Q. Who brought them there?

A. I decline to answer.

Q. Did you receive them?

A. I decline to answer.

Q. Did you ever take possession of them in any way?

A. I decline to answer.

Q. When did you first have anything to do with those engines?

A. I decline to answer.

Q. Are there any engines of the Holly Company there?

A. I decline to answer.

Q. Is there such a company as the Holly Company?

A. I decline to answer.

Q. Are there any engines in Chester?

A. I decline to answer.

Q. When you first started the Chester Water-Works, how did you calculate on getting the water-supply for the city?

A. I decline to answer.

Q. Did you expect to erect pumps?

A. I decline to answer.

Q. Did you expect to make a contract with the South Ward Water-Works for their pumps?

A. I decline to answer.

Q. Have you ever seen any officers of the Holly Manufacturing Company?

A. I decline to answer.

Q. When did you first know that the Holly Manufacturing Company had made pumps for the Chester Water-Works?

A. I decline to answer.

Q. For which company are the pumps of the Holly Manufacturing Company intended?

A. I decline to answer.

Q. What is the relation between the New Chester and the South Chester Water Company?

A. I decline to answer.

Q. Are you the president of both companies?

A. I have said so; yes, sir.

Q. Who were the directors of those companies prior to November, 1888?

A. I don't remember.

Q. Did any change as to the situation of the water companies take place in November, 1888, or at any time?

A. I decline to answer.

(Mr. Ashhurst at this point referring to the fact that the witness had commenced to state his declinations to answer prior to the finishing of Mr. Ashhurst's question, suggested that the witness wait until the question was finished before making his reply.)

Mr. Hannis:—The witness has been instructed by his counsel, Mr. Ward, to decline to answer any question that is not legitimate cross-examination, and none of the questions that he has declined to answer have been legitimate under cross-examination.

(Mr. Ashhurst inquires who is the judge at this hearing of what is legitimate cross-examination—whether it is to be Mr. Hannis' judgment, or the witness' own judgment.

Mr. Hannis states that the court is open to Mr. Ashhurst.

Mr. Ashhurst asks whether Mr. Hannis or the witness is to be the judge.

Mr. Hannis, representing Mr. Ward, who is unavoidably called away, states that he is taking his (Mr. Ward's) place and obeying his (Mr. Ward's) orders, and exercising his (Mr. Hannis') judgment as to what questions on cross-examination are proper.

Mr. Ashhurst states that he was calling the witness' attention to the circumstance that he was declining to answer questions in advance of any objection or instruction from Mr. Hannis or from any other party, and exercising his own judgment upon the questions.

Mr. Hannis replies that the witness is an intelligent gentleman, and readily sees when questions asked bear upon the examination-in-chief.)

By Mr. Ashhurst (to the witness):

Q. You have said in your examination-in-chief that you did not know of the Holly Company having any lien upon the pumps until about a year ago. When did you first know that the Holly Company had supplied pumps?

A. When they were first shipped there.

Q. When were they first shipped there?

A. I don't recollect.

Q. When they were shipped there who was in charge of them?

(Objected to.)

A. I decline to answer.

Q. Were the pumps shipped there at the same time or separately?

(Objected to as above.)

A. I decline to answer.

Q. You say you first knew that the Holly Manufacturing Company shipped pumps when they arrived there. Did you know at once upon their arrival?

A. I think the question was not put in that way. You asked me when I first knew of the Holly pumps coming here.

Q. I asked you when you first knew that the Holly Company was going to supply pumps. You said it was when the pumps arrived.

A. Yes; now, your question is, when did I first know that the Holly Company were going to supply pumps?

Q. Yes; and you said when they first arrived, did you not?

A. Yes, sir.

Q. Did you know anything about where Mr. Bullock was going to get the material used for the works?

(Objected to.)

A. I decline to answer.

Q. Did you know that he had any contract with the Holly Company?

(Objected to.)

A. I decline to answer.

Q. Did you ever ask him what his contract with the Holly Company was?

(Objected to.)

A. I decline to answer.

Q. Were the sub-contracts that Mr. Bullock had made ever submitted to the board of directors?

(Objected to.)

A. I decline to answer.

Q. On April 6th, 1887, you certified that the indebtedness of the New Chester Water Company had been increased by the issue of five hundred thousand of its bonds, which were to be secured by a first mortgage on all its properties and franchises and by a guarantee of payment of principal and interest of $300,000 of the bonds of the South Chester Water Company, which bonds are secured by a mortgage on all the franchises and properties of said company, said indebtedness being given for money and property actually received by said company for labor done, and on the 15th of April you made affidavit that the facts in that certificate were true. What money and property were actually received by the company as stated in that certificate?

(Objected to.)

A. I decline to answer.

Q. On the same 6th of April, 1887, you certified as president of the South Chester Water Company that the indebtedness of that company had been increased by the issue of three hundred thousand of its bonds, to be secured by a first mortgage on all its properties and franchises, the said indebtedness being issued for money and property actually received by said company for labor done. On the 15th of April you made affidavit before H. R. Shultz that that certificate was true. Was that certificate in fact true?

(Objected to.)

A. I decline to answer.

Q. What money and property had been actually received by the company as stated?

(Objected to.)

A. I decline to answer.

Q. Had any money and property been received by that company at that time?

(Objected to.)

A. I decline to answer.

Q. Or by the New Chester Water Company, as stated?

(Objected to.)

A. I decline to answer.

Q. Was not all this a fiction, which you and Mr. Bullock got up?

(Objected to.)

A. I decline to answer.

Q. On the 6th of April, 1887, as president of the South Chester Water Company, you certified to Charles W. Stone, Secretary of the Commonwealth, that the capital stock of the company had been increased from $1000 to $600,000 upon the 21st of March, 1887, said stock being issued for money and property actually received by said company for labor done. Was that certificate true or false?

(Objected to.)

A. I decline to answer.

Q. You swore to the truth of that certificate on the 15th of April, 1887. Was that oath true or false?

(Objected to.)

A. I decline to answer.

Q. What money and property had been received by said company for that stock?

(Objected to.)

A. I decline to answer.

Q. Was not that certificate untrue in fact, and made for the purpose of giving said company a false credit and reputation?

(Objected to.)

A. I decline to answer.

Q. Were you formerly a stockholder in the Upland Water Company?

(Objected to.)

A. I decline to answer.

Q. Did you transfer stock of that company to another company?

(Objected to.)

A. I decline to answer.

Q. What did you receive for it?

(Objected to.)

A. I decline to answer.

Q. Was there any value in the stock of that company or any basis for that transfer, in fact?

(Objected to.)

A. I decline to answer.

Q. On April 4th, 1887, you certified to the Hon. Charles W. Stone, Secretary of the Commonwealth, that a sale and conveyance of the franchises and property of the Upland Water Company had been duly made and effected to the South Chester Water Company. Was that true or false?

(Objected to.)

A. I decline to answer.

Q. On April 4th, 1887, you certified to the Hon. Charles W. Stone, Secretary of the Commonwealth, that at an election duly held for the purpose on the 21st of March, 1887, the sale of the franchises of the Penn Water Company had been duly made and effected to the South Chester Water Company. Was that true or false?

(Objected to.)

A. I decline to answer.

Q. What was the real basis of the New Chester Water Company as far as money subscribed and put in was concerned?

(Objected to.)

A. I decline to answer.

Q. Was the New Chester Water Company in April, 1887, a real company, or was it a fiction got up for the purpose of making contracts with Bullock & Co.?

(Objected to.)

A. I decline to answer.

Q. Was the South Chester Water Company in April, 1887, a real and substantial organization, or was it a fiction gotten up for Bullock & Co. to screen themselves behind?

(Objected to.)

A. I decline to answer.

Q. What substance was there in either of those companies or its ownership apart from Bullock & Co.?

(Objected to.)

A. I decline to answer.

Q. If those companies were only masks or screens for Bullock & Co., what reason is there why you, as president of those companies, should have any information as to contracts made by Bullock & Co.?

(Objected to.)

A. I decline to answer.

Q. What salary did you receive?

(Objected to.)

A. I decline to answer.

Q. Was not any salary which you received paid by Bullock & Co.?

(Objected to.)

A. I decline to answer.

Q. If you were only Bullock's employé, why should you have any information as to what Bullock was doing?

(Objected to.)

A. I decline to answer.

Q. Did you swear to the answers of the New Chester and

the South Chester Water Companies in this case as filed of record?

(Objected to.)

A. I decline to answer.

Q. In your answer you alleged that you were *bona fide* holders for value of the property concerned. How did you become such?

A. I decline to answer.

Q. What claim or right have you on behalf of the New Chester Water Company to hold these pumps as alleged in your answer?

(Objected to.)

A. I decline to answer.

Q. Have you any?

A. I decline to answer.

Q. Do you think it right and just that you should take these pumps and engines and hold them without paying for them?

(Objected to.)

A. I decline to answer.

Q. How do you claim to have paid for these pumps or engines as alleged in your answer?

(Objected to.)

A. I decline to answer.

(Mr. Ashhurst moves to strike out the witness' testimony.

Mr. Hannis moves to strike out his cross-examination, and asks that the expense of printing the same be charged against the plaintiffs in this case.

Mr. Dale, on behalf of R. D. Wood & Co., renews call heretofore made upon plaintiffs for production of telegrams referred to in the testimony of the witness Hildreth with reference to the delivery of the pumps at Mobile.)

Adjourned.

WEDNESDAY, July 2d, 1890.

Office of W. C. Hannis, Esq., Drexel Building, Philadelphia.

Present—R. L. Ashhurst, Esq., for plaintiff; R. C. Dale, Esq., and W. C. Hannis, Esq., for defendants.

Mr. Dale, for defendants, offers in evidence exemplification of proceedings in Court of Common Pleas, No. 4, for the county of Philadelphia, as of September term, 1888, No. 832, said exemplification being in the words following:—

EXEMPLIFICATION.

PHILADELPHIA COUNTY, } *Set.*
STATE OF PENNSYLVANIA, }

Among the records and proceedings of the Court of Common Pleas, No. 4, for the County of Philadelphia, State of Pennsylvania, the following may be found as matter of file and of record, at No. 832, September Term, 1888, to wit:—

DOCKET ENTRIES.

September Term, 1888.

Ashhurst.	*The Holly Manufacturing Co.*	Am. Act. entered by agreement Nov. 26, 1888 with same effect as if a sums. ret. on 1st Mon. Nov. 1888 had been regularly issued and served on deft. and duly so returned and Judgment is confessed in favor of Pltff. for $67,811.44 with costs release of errors &c. Nov. 26, 1888. Judgment.
832.	vs.	
	Samuel R. Bullock and William S. Mercer trading as Samuel R. Bullock & Co.	

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IN THE COURT OF COMMON PLEAS OF PHILADELPHIA COUNTY.

The Holly Manufacturing Company	Amicable Action. Of September Term, 1888.
vs.	
Samuel R. Bullock and William S. Mercer, trading as Samuel R. Bullock & Co.	

STATE OF PENNSYLVANIA, } ss.
COUNTY OF PHILADELPHIA, }

It is agreed that the above action be entered with the same effect as if a summons returnable to the first Monday of November, 1888, had been regularly issued, served personally on the defendant, and duly so returned.

SAML. R. BULLOCK,
WM. S. MERCER.

TO THE PROTHONOTARY OF SAID COURT.

CONFESSION OF JUDGMENT.

STATE OF PENNSYLVANIA, } ss.
COUNTY OF PHILADELPHIA, }

And now, November 24th, 1888, Samuel R. Bullock and William S. Mercer, trading as Samuel R. Bullock & Co., the defendants above named hereby to the above stated amicable action, and therein confess judgment against themselves and in favor of the plaintiff above named, for the sum of $67,811.44, with costs of suit, release of errors, &c., and do hereby authorize and empower the prothonotary above named to enter the same of record.

In Witness Whereof, have hereunto set hand and seal.

SAMUEL R. BULLOCK, [SEAL]
WM. S. MERCER, [SEAL]

Witness:
GEO. H. COREY.

STATE OF NEW YORK,
CITY AND COUNTY OF NEW YORK, } *ss.*

Be it Remembered, That on this twenty-fourth day of November, in the year 1888, before me, the undersigned, George H. Corey, a commissioner, resident in the city of New York, duly commissioned and qualified by the executive authority, and under the laws of the State of Pennsylvania, to take acknowledgments of deeds, &c., to be used or recorded therein, personally appeared Samuel R. Bullock and William S. Mercer, who in due form of law acknowledged the foregoing instruments to be their free act and deed, and desired the same to be recorded as such.

In Witness Whereof, I have hereunto set my hand and affixed my official seal, the day and year last aforesaid.

GEO. H. COREY,
[SEAL] *Commissioner for the State of Pennsylvania.*
Office, 60 Wall Street, N. Y.
Indorsed.—No. 832. Sept. 1888.

COMMON PLEAS, NO. 4, OF PHILADELPHIA COUNTY.

Holly Manufacturing Company
vs.
S. R. Bullock and W. S. Mercer, trading, &c.
Term 1888.

Amicable action. Filed November 26th, 1888. Dated Turnbull.

ASHHURST,
Pro Prothonotary.

Whereupon it was considered by our said court, before our said judges, that the "Holly Manufacturing Company" recover of Samuel R. Bullock and William S. Mercer, trading as Samuel R. Bullock & Co., the sum of $76,811.44 for its

judgment, and also the further sum of four dollars and thirty-seven cents for its costs and charges by it about its suit in that behalf expended, whereof the said defendants are correct as appears of record, &c.

And the defendants in mercy, &c.

JUDGMENT INDEX.

Defendants.	Plaintiff.	Court.	Term.	No.	Atty.	Date.	Amount.
Bullock, Samuel R. Mercer, William S.	The Holly Manufacturing Co.	No. 4.	S. 88.	832.	Ashhurst.	1888, Nov. 26.	$67,811.44.

Costs	$4 37½
Record	4 00
Total	$8 37½

THE COMMONWEALTH OF PENNSYLVANIA.

COUNTY OF PHILADELPHIA, *ss.*

I, William B. Mann, Esquire, prothonotary of the several Courts of Common Pleas, Nos. 1, 2, 3, and 4, respectively, for the County of Philadelphia, do certify that the foregoing is a true copy of the whole record in the cause wherein the Holly Manufacturing Company is plaintiff, and Samuel R. Bullock and William S. Mercer, trading as Samuel R. Bullock & Co., are defendants, of September Term, 1888, No. 832, as full, entire, and complete as the same remains on file in Court of Common Pleas, No. 4, for the County of Philadelphia, in the case there stated.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of the said court, this thirtieth day of June, in the year of our Lord 1890.

WILLIAM B. MANN,
Prothonotary.

[SEAL]

COUNTY OF PHILADELPHIA, *ss.*

I, M. Russell Thayer, president judge of the Court of Common Pleas, No. 4, for the County of Philadelphia, do certify that the foregoing record and attestation, made by William B. Mann, Esquire, prothonotary of the said court, whose name is thereunto subscribed and seal of office affixed, are in due form, and made by the proper officer.

In Testimony Whereof, I have hereunto set my hand, this thirtieth day of June, in the year of our Lord 1890.

M. RUSSELL THAYER,
President Judge.

COUNTY OF PHILADELPHIA, *ss.*

I, William B. Mann, Esquire, prothonotary of the several Courts of Common Pleas, Nos. 1, 2, 3, and 4, respectively, for the County of Philadelphia, do certify that the Honorable M. Russell Thayer, by whom the foregoing attestation was made, and whose name is thereto subscribed, was at the time of making thereof, and still is, president judge of the Court of Common Pleas, No. 4, for the County of Philadelphia, duly commissioned and sworn; to all whose acts, as such, full faith and credit are and ought to be given, as well in courts of judicature as elsewhere.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of the said courts, this thirtieth day of June, in the year of our Lord 1890.

WILLIAM B. MANN,
Prothonotary.

[SEAL]

Ex. A, 4/30/90. A. J. H.

HOLLY MANUFACTURING CO. OF LOCKPORT, N. Y.

MANUFACTURERS OF

Holly's System of Water Works.

T. T. FLAGLER, Prest. J. JACKSON, JR. Vice Prest.
H. H. FLAGLER, Treasurer. C. G. HILDRETH Secretary.
H. F. GASKILL Engineer & Supt.

44 Broadway, New York.

Secretary's Office, 44 Broadway,
NEW YORK Sept. 26th, 1885

Wm. G. Hopper & Co. 27 South Third St. Philadelphia, Pa.

DEAR SIR:—Yours of 25th. is received. So far as I know the standing of Samuel R. Bullock and Co. is good. They are I am informed worth about $20000. mostly personal property. They are active competent and trustworthy young men. The Holly Mfg. Co. is building the pumping machinery for the Paducah water works, but not for Sharon works. I know of no reason why both of those enterprises should not prove to be successful. No payments have yet come due on our contract, and we can't therefore say as to their promptness in settling, but I was told not long ago, by the Attorney for the Company, which is supplying the pipes for Paducah, that they had paid promptly.

Yours truly,

C. G. HILDRETH,

Secy.

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Ex. C, 4/30/90. A. J. H.

Certificate of Deposit.

First National Bank

No. 7043 Philadelphia, July 7th 1887

Wm. G. Hopper & Co has deposited in this Bank three hundred thousand $\frac{}{100}$ Dollars to the Credit of themselves payable to their order and return of this Certificate.

$300,000. GEO. PHILLER,
Prest.

First Nat'l Bank, Philadelphia. Paid Jul 9 1887.

(Indorsed.)

Pay to order of Samuel R. Bullock & Co.

Wm G. Hopper & Co

Pay to order of New Chester Water Co

Saml. R. Bullock & Co

Pay to order of Chester National Bank.

New Chester Water Company
by J. L. Forwood
President.

Pay Central National Bank of Philad'a. or Order for Coll'n & Acc't of Chester National Bank, Chester, Pa., S. H. Seeds, Cashier

S. H. Seeds *Cas.*

26 Received payment through Clearing House.

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Ex. D, 4/30/90. A. J. H.

Certificate of Deposit.

First National Bank

No. 7044 Philadelphia, July 7th 1887

Wm G Hopper & Co has deposited in this Bank thirteen thousand $\frac{}{100}$ Dollars to the Credit of themselves payable to their order and return of this Certificate.

$13,000. GEO. PHILLER,
Prest

First Nat'l Bank, Philadelphia. Paid Jul 9 1887

(Indorsed.)

Pay to the order of Samuel R. Bullock & Co

Wm G Hopper & Co

Pay to order of New Chester Water Co

Saml R. Bullock & Co

Pay to order of Chester National Bank.

New Chester Water Company
by J. L. Forwood,
President

Pay Hartman Baker Esq cashier, or order, for collection and account of Chester National Bank, Chester, Pa.

30 Received payment through Clearing House. Jul 9 1887.

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Ex. E, 4/30/90. A. J. H.

KNOW ALL MEN BY THESE PRESENTS, That the members of the Council of the City of Chester in the State of Pennsylvania from the South Ward of the said City, *ex-officio* corporators of the Water Works of the said South Ward, for divers good and sufficient considerations and for and in consideration of the sum of one dollar to them in hand paid by Samuel R. Bullock and William S. Mercer both of the State of New York, trading as Samuel R. Bullock & Company, at or before the sealing and delivery of these presents the receipt whereof is hereby acknowledged, have granted, bargained, sold, and delivered and by these presents do grant bargain sell and deliver unto the said Samuel R. Bullock & Company all and singular the pipes, castings, iron, coal, furniture, tools and articles and property of every description mentioned in the schedules hereunto annexed and marked with the letters A and B.

TO HAVE AND TO HOLD the said pipes castings, coal, iron, furniture, tools, and articles and property of every description unto the said Samuel R. Bullock & Company their heirs, executors, administrators and assigns to and for their own proper use benefit and behoof forever.

And the said vendors their successors and assigns unto the Samuel R. Bullock & Company their executors administrators and assigns the above recited pipes, castings, iron, coal, furniture, tools, and articles and property of every description from and against all persons whomsoever shall and will warrant and forever defend.

In Witness Whereof, the said corporation of the South Ward Water Works has caused this Bill of Sale to be signed by the President and Secretary thereof with its corporate seal duly affixed and attested and to be delivered as and for the act and deed of the said corporation pursuant to a resolution duly passed by the said Board on the Seventh day of July, A. D. one thousand eight hundred and eighty seven immediately prior to the execution of this Bill of Sale.

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This done this Seventh day of July, A. D. one thousand eight hundred and eighty seven.

Sealed and delivered in the presence of us
The word agreement in the fourth line from the bottom of first page having been first interlined.
GEO. G. JONES
W. B. BROOMALL
SAM. LYONS

DAVID M. JOHNSON
President
Attest:
GEO. G. JONES,
Secy

Seal of South Ward Water Works, Chester, Pa.

On the day of the date of the above Bill of Sale, livery of seisen of the articles mentioned in the annexed Schedules were given by the said vendor to the said vendee in the presence of us.

SAM. LYONS
S. M. WARD.

STATE OF PENNA. } *ss.*
CITY OF CHESTER }

BE IT REMEMBERED that on the Seventh day of July, A. D. 1887 before me the subscriber a Notary Public for the Commonwealth of Pennsylvania residing in the City of Chester in the said State personally appeared David M. Johnson, President and George G. Jones Secretary of the corporation of the South Ward Water Works who being duly affirmed say, that they were personally present at the execution of the annexed Bill of Sale and saw the common or corporate seal of the said corporation affixed thereto, and that the seal so affixed is the common and corporate seal of the said corporation and that the within Bill of Sale was duly signed, sealed, and delivered by and as the act and deed of the corporation for the uses and purposes therein mentioned; and that the names of the said David M. Johnson and George G. Jones subscribed to the annexed Bill of Sale in attestation of the due execution and delivery of the annexed Bill of Sale are of their own proper and respective handwriting.

Affirmed and subscribed this Seventh day of July, A. D. 1887 before me.
SAM. LYONS
Notary Public.
[Notarial Seal.]

DAVID M. JOHNSON
President.
GEO. G. JONES.
Attest:

SCHEDULE B.

VALUATION OF PLANT

Based upon an estimate of the amount that would be required to replace the entire Plant at the cost of Labor and Materials any. 1, 1887.

MAY 1, 1887

CONSTRUCTION

Reservoir and Pumping Station.

Reservoir on Concord Road	10,000 00
Engine and Boiler House	800 00
Office Building	700 00
Compound Corliss Engine and Pumps	8,500 00
Corliss Engine and Gear Pumps	2,000 00
Boilers New Set and Connections	1,800 00
Boilers Old Set and Connections	500 00
Foundations Old and New Engines and pumps	1,200 00
Total	25,500 00

WATER PIPE

Supply and Distribution At Works Foot Fulton St.

310 ft. of 30 in. Submerged Main	1,340 00	
Cost of laying same	2,928 20	
Plan and specifications	100 00	
		4,368 20
500 ft. of 20 in. Pipe at $1.68 per ft.	840 00	
Cost of laying same	160 00	
		1,000 00

SPECIAL CASTINGS.

1 Mouthpiece to submerged main	90 00
2 30 in. ⅛ Bends	100 00
1 30 in. Stop Valve	360 00
2 20 in. Stop Valves	288 00
1 20 in. Foot Valve	190 00
1 20 in. Connection	39 13
3 20 in. ¼ Bends	98 25
1 20 by 12 in. Y	31 50
1 30 in. Check Valve 1 30 by 20 in. Reducer 1 Screen Chamber	473 92
Total	7,039 00

DELIVERY AND DISTRIBUTION SYSTEM.

10,700 ft. of	12 in.	pipe.	
6,768 "	10 in.	"	
15,529 "	8 in.	"	
35,349 "	6 in.	"	
9,948 "	4 in.	"	
350 "	3 in.	"	
1,898 "	2 in.	"	
80,541 "	Pipe at $1.10 per foot		88,595 10

Estimate covering Pipe Branches Special Castings Wood, Clay, Packing Lead, Haulage and Labor.

GATES.

13	12 in.	Stop Valves at $50.00	650 00
20	10 in.	" 34.25	685 00
30	8 in.	" 25.00	750 00
99	6 in.	" 15.00	1,485 00
34	4 in.	" 11.25	382 50
1	3 in.	" 10.00	10 00
8	2 in.	" 8.00	64 00

CASTINGS AND BOXES.

205 Castings and Boxes for Valves at $8.00	1,640 00

MISCELLANEOUS.

Arched Pipe at Seventh Street Bridge, Contract Price including Plans and placing in position	1,207 82	
Labor, Haulage, Brick, Stone, Cement, &c., &c.	84 00	
		1,291 82
Relief Valve Foot Market St.		50 00
Total		95,603 42

SUMMARY.

Reservoir and Pumping Station	25,000 00
Supply and Distribution.	
At Works Foot Fulton Street	7,039 00
Distribution System	95,603 42
	128,142 42
Add for advance in Iron Jany. 1, 1887 to May 1, 1887	11,074 40
	139,216 82

NOTE.—This is Schedule "B" appended to the tripartite agreement between the City the South Ward Water Board and the New Chester Water Company. A portion of the above specified pipe and castings as far as the same are appurtenant to the pumping station have already been conveyed to the said New Chester Water Company or its successors and assigns. And the above articles are subject to diminution in the regular course of business since May 1, 1887.

SCHEDULE C.

Inventory of Office Furniture, Materials and Tools on hand May 1, 1887 South Ward Water Works Chester Penna.

Office Furniture.

1 Safe	100 00
1 Desk and Counter	5 00
1 Large Table Desk	8 00
1 Rolling Top Desk	45 00
1 Lounge	5 00
1 Water Cooler	1 50
1 Basin and Fixtures	2 50
1 Revolving Office Chair	2 00
6 Office Chairs	6 00
2 Gas Fixtures	8 00
2 Sheet Iron Boxes	9 00
2 Rubber Suits	16 00
1 Letter Press	5 00
Steam Heating Pipes	5 00
3 Maps	3 00
2 Glasses	10
1 Broom	20
1 Dust Brush	15
1 Whisk Broom	10
4 Spittoons	20
Total	221 75

3 Maps Distribution Service Cost $500. Value?

Engine House.

Materials on Hand May 1, 1887.

50 Tons Coal at $3.75	167 50
50 Gallons Machinery Oil	15 00
20 Gallons Boiler Varnish	7 50
20 Gallons Cylinder Oil	14 00
1 Cask Lords Boiler Compound	30 12
25 Lbs. Eureka Packing at 45c.	11 25
14 Lbs. waste	1 12
10 Lbs. Hemp Packing	1 30
44 Lbs. Sheet Rubber	22 00
3 Lbs. Babbitt Metal	1 50
10 Lbs. Tallow	1 00

8	Eye Bolts for Pumps	4 00
3	" "	1 00
7	3 in. x ¾ in. Bolts	1 75
3	5 in. x 1 in. "	90
3	Lbs. Hemp Rope	24
38	3½ Vulcanized Rubber Valves	3 80
2	Lbs. Packing	1 20
3	20 in. by ¾ in. Water Glasses	1 50
3	12 in. by ⅜ in. " "	75
100	Valve Springs	10 00
7	3 in. by ¾ in. Bolts	1 75
8	5 in. x ¾ in. "	2 40
10	Brass Guards for Pumps	7 50
1	50 Gallon Oil Tank	5 00
11	Gas Fixtures	20 00
	Total	334 28

Engine House.

Tools on Hand May 1, 1887.

1	Steel Wrench	1 50
2	Socket Wrenches	6 50
2	"S" Wrench	75
2	Boiler Makers Wrenches	1 00
3	Monkey Wrenches	1 50
1	Boiler Wrench	75
4	Pair Steam Fitters Tongs	4 00
2	Packing Hooks	75
3	Steel Drifts	1 50
4	Chisels	2 00
3	Scaling Hammers	3 00
3	Files	1 50
1	Hammer	1 00
1	Steam Tube Cleaner	5 00
1	" " "	1 00
2	Fire Hoes	2 00
2	Steel Bars	2 50
1	Vice	5 00
1	Pipe Tap	1 50
1	Saw	50
2	Coal Shovels	1 50
1	Wheelbarrow	10 00
2	Brooms	40
1	Platform Scales	45 00
	Total	100 15

CONSTRUCTION AND MAINTENANCE.

Material on Hand May 1, 1887.

4 Pieces Large Rope		10 00
100 Lbs. Hemp Packing at 8½		8 50
50 ft. Hose		6 00
9 Gallons Headlight Oil and Can		1 75
1 Chain Fall		20 00
1 Double Block		60
4 Single "		2 00
1 Duplicate Wheel Old Pump		75 00
2 Large Coal Buckets		30 00
1 Ladder 22 in.	4 40	
1 " 20 in.	4 00	
1 " 10 in.	1 50	
		9 90
1 Salamander Oil Can and Faucet		2 00
4 Chains		10 00
1 " Broken		50
2 Red Lights	2 00	
1 White Light	1 00	
		3 00
1 Tin Bucket		50
2 Wooden Buckets		40
6 2 in. Wooden Plugs at 25c.	1 50	
8 4 in. " " " 35c.	2 80	
2 6 in. " " " 40c.	80	
1 8 in. " " " 60c.	60	
		5 70
1 Gallon Measure and Funnel		60
1 Steam Radiator		2 50
1 Fly Wheel Belt Old 50 ft. x 18 in.		10 00
3 1 in. Corporation Cocks		6 00
1 ¾ in. " "		13 75
Amount Forward		218 70

Material on Hand May 1, 1887 continued.

	Amount forward		218 70
3	1 in. Ferules	1 11	
6	¾ in. "	1 50	
8	⅝ in. "	1 44	
3	½ in. "	33	
			4 38
6	1 in. Brass Plugs		
12	¾ in. "		
12	⅝ in. "		17 00
6	½ in. "		
2	Lengths 12 in. Pipe—1700 lbs. at $31.00 per ton		23 00
13	" 10 in. " 9005 "		112 12
1	" 8 in. "		
1	Piece 8 in. " 10 ft.	1497 lbs. at $31.00 per ton	20 75
1	" 8 in. " 7 ft.		
1	" 8 in. " 5 ft.		
2	Lengths 6 in. "	840 Lbs. " 31.00 "	10 92
1	Piece 6 in. " 6 ft.		
4	Lengths 4 in. "	935 lbs. " 31.00 "	12 16
1	Piece 4 in. " 7 ft.		
1	12 in. Valve Old		10 00
2	10 in. Valves New		70 00
1	4 in. Valve "		10 50
1	30 in. Sleeve 1200 lbs. at 03 c.		36 00
4	10 in. " 170 x 4 680 lbs. " 03 c.		20 40
2	8 in. " 127 x 2 254 lbs. " 03 c.		7 62
2	6 in. " 73 x 2 146 lbs. " 03 c.		4 38
2	4 in. " 40 x 2 80 lbs. " 03 c.		2 46
12	2 in. " 8 x 12 96 lbs. " 03 c.		2 88
2	4 in. T's 100 x 22 200 lbs. " 2½ c.		5 00
1	12 in. Y 400 lbs. " 2½ c.		10 00
1	8 x 4 Reducer 110 lbs. " 2½ c.		2 75
1	6 x ⅛ in. Bend 70 lbs. " 15 c.		30
1	12 x 6 in. Cross 400 lbs. " 2½ c.		10 00
1	4 x 4 in. " 120 lbs. " 2½ c.		3 00
2	6 x 6 in. 526 lbs. " 2½ c.		13 15
1	8 x 8 in. Angle Cross 300 lbs. " 2½ c.		7 50
4	Valve Boxes		6 00
7	Curb Boxes		9 45
10	Lengths Old Arched Pipe 3rd. St. Bridge 16000 lbs. at 1 c.		160 00
200	lbs. Old Bolt at 1 c.		2 00
3	Old Bands		25
3	Old Swivels		30
1	Old Ringbolt		15
1	Screen Basket		2 00
	Total		816 87

CONSTRUCTION AND MAINTENANCE

Tools on Hand May 1, 1887

1	Drilling Machine and Drills	50 00
1	" " "	25 00
2	Monkey Wrenches at .30 c.	60
2	Socket Wrenches " 1.50	3 00
1	Large Wrench for Bridge Pipe	2 00
1	Old Wrench	1 00
1	Large Square	1 00
1	Small Square	50
20	Caulking Tools	15 00
3	Caulking Hammers	2 40
4	Cold Chisels	1 25
6	" Diamond Points	2 40
1	Small Ladle	50
1	Small Hatchet	20
1	Adze	1 00
1	Pair Blacksmiths Tongs	1 25
2	Fire Pumps	2 00
19	Picks and Handles at 50 c.	9 50
2	Wheelbarrows at 50 c.	1 00
2	Large Hoes at 50 c.	1 00
15	Shovels at 25 c.	3 75
1	Sledge	1 00
2	Scythes 7 Handles	2 00
2	Jack Screws	5 00
7	Valve Keys at 3.00	21 00
2	Post Bars	3 00
1	Pressure Guage	5 00
1	Large Ladle and Handle	5 00
1	Lead Pot and Furnace	15 00
1	Old " " at 1 c.	25
1½	Old Bib Cock	75
2	Torches 4 Lights	1 00
5	" Single Lights	75
2	Large Wooden Wharf Clamps	1 00
2	Brooms	20
1	Small Tool Chest	5 00
1	Large Tool Chest	10 00
	Total	200 40

Engine Room SUMMARY

Material on Hand May 1, 1887	334 28
Tools on Hand May 1, 1887	100 15
Construction and Maintenance	
Material on Hand May 1, 1887	816 87
Tools on Hand May 1, 1887	200 40
Office Furniture	221 75
Total	1673 45

NOTE :—This Schedule is liable to change in the ordinary course of business since May 1, 1887.

For and in consideration of one dollar to us in hand paid by Harry S. Hopper, We Samuel R. Bullock & Co. hereby assign transfer and set over unto the said Harry S. Hopper all our right title and interest in and to the personal property described in the foregoing bill of sale—to have and to hold the same to the said Harry S. Hopper his executors administrators and assigns.

Witness the signature of the said Samuel R. Bullock & Co. and that of the said Samuel R. Bullock, this 8th day of July 1887

Signed in presence of
Wm. C. Hannis
Wm. P. Ellis

SAML. R. BULLOCK & CO
SAML. R. BULLOCK

Subject to the foregoing contract of assignment, and in partial performance of our construction contract with The New Chester Water Company, we Samuel R. Bullock & Co. hereby assign all our right title and interest in the foregoing property mentioned in the foregoing bill of sale to The New Chester Water Company, to have and to hold the same to it its successors and assigns.

Witness the signature of the said Samuel R. Bullock & Co. and that of the said Samuel R. Bullock this 8th day of July 1887.

Signed in presence of
Wm. C. Hannis
Wm. P. Ellis.

SAML. R. BULLOCK & CO
SAML. R. BULLOCK

Ex. F, 4/30/90. A. J. H.

KNOW ALL MEN BY THESE PRESENTS, That we *David M. Johnson*, *Thomas J. Houston*, *William C. Gray*, *John Lilley, Jr.*, and *Jesse W. Rawcliffe* members of the City Council of the City of Chester in the State of Pennsylvania for the South Ward thereof and ex-officio corporators of the Water Works of the said South Ward for divers good and sufficient considerations and one dollar, *Do* hereby transfer, assign and set over to *Samuel R. Bullock* of the City of Brooklyn in the State of New York and *William S. Mercer* of the City of New York in the State aforesaid their heirs executors, Administrators and Assigns all debts due suits pending, and moneys due thereon all promissory notes, and all choses in action now owned by the said corporation of the said South Ward Water Works aforesaid, including judgment notes and also all cash on hand; *Provided* that this assignment is exclusive of any debts due for choses in action given for any pipe frontage or pipe tax or interest owned or held by the said South Ward Water Works against any person or property; and the said corporation of the said South Ward Water Works agrees to allow the said assignees their executors, administrators or assigns to commence suits in the name of the said corporation for the recovery of the said moneys, or at their request to mark any pending suits to their use: *Provided* that the said Samuel R. Bullock and Company their executors, administrators and assigns shall at all times hereafter forever save harmless and indemnify the said corporation of the said South Ward Water Works its successors and assigns of and from all loss, costs, and expense by reason of the prosecution of the said suits the collection of the said moneys or any matter or thing whatsoever incident to or connected therewith.

The said debts, moneys, and choses in action being represented by Schedules D and E hereto annexed and which were attached to a tripartite agreement duly executed between and among the City of Chester the said corporation of the South Ward Water Works and the New Chester Water Company dated the thirty-first day of May A. D. 1887; and

in addition to the debts due suits, and choses in action set out in the said Schedules there are added and assigned as aforesaid the following to wit:—

Due from Robert Anderson late Supt. 7,738.43
Award aginst the Balt. & Phila R. R. Co. 500.00
less fees and expenses being in litigation

Provided and it is understood and agreed that the said moneys and choses in action represented in the said Schedules may be subject to changes occurring in the ordinary course of business since the first day of May A. D. 1887

In Witness Whereof the said Corporation of the South Ward Water Works has caused this assignment to be signed by the President and Secretary thereof with its corporate seal duly affixed and attested and to be delivered as and for the act and deed of the said corporation pursuant to a resolution duly passed by the said Board on the Seventh day of July A. D. one thousand eight hundred and eighty seven immediately prior to the execution of this Assignment.

This done this 7th day of July A. D. one thousand eight hundred and eighty seven.

Sealed and delivered in the presence of us:
W. B. Bromall,
Sam. Lyons
S. M. Ward

DAVID M. JOHNSON,
President.

Geo. G. Jones,
Secretary.

Seal of South Ward Water Works, Chester, Pa.

State of Penna
City of Chester } ss

Be it remembered that on the 7th day of July A. D. 1887 before me the subscriber a Notary Public for the Commonwealth of Pennsylvania residing in the City of Chester in the said State personally appeared David M. Johnson, President

and George G. Jones, Secretary of the corporation of the South Ward Water Works who being duly affirmed say, that they were personally present at the execution of the within Assignment and saw the common or corporate seal of the said corporation affixed thereto, and that the seal so affixed is the common and corporate seal of the said corporation and that the within Assignment was duly signed, sealed, and delivered by and as the act and deed of the corporation for the uses and purposes therein mentioned; and that the names of the said David M. Johnson, and George G. Jones subscribed to the with Assignment in attestation of the due execution and delivery of the within Assignment are of their own proper and respective handwriting.

Affirmed and subscribed this 7th day of July A. D. 1887 before me.

SAML LYONS
Notary Public.
[Notarial Seal.]

DAVID M. JOHNSON
President

GEO. G. JONES,
Secretary.

SCHEDULE D.

DELINQUENT LIST
SOUTH WARD WATER WORKS.

Amounts due prior to January 1, 1887 and unpaid May 1, 1887
Current Account, Judgment Notes, Time Notes

CURRENT ACCOUNTS

Due prior to January 1, 1887 and unpaid May 1, 1887
Water Rent only

Names.	Good.	Doubtful.	Bad.
Anderson Robert		55 00	
Beebe George		5 00	
Bliss Ward R.	16 00		
Baker Mrs. E. W. Est.		25 00	
Barrowclough		87 75	
Barrowclough Joseph		25 00	
Barrowclough Sarah		30 00	
Barton James Est		114 00	
Combination S. & I. Works	120 00		

Names.	Good.	Doubtful.	Bad.
Cunliffe George	....	5 00	
Chester Cricket Club	10 00	....	
Chester Times Pub. Co.	4 00	....	
Church Im. Heart Rec.	9 00	....	
Davison J. C. Tenant	....	....	5 00
Entwisle J. L. & Co.	....	....	26 00
Ensign L.	....	....	15 00
Fisher Theophilis	....	....	35 00
Frick William	....	....	42 00
Fairlamb F. Est.	....	10 00	
Famer C. P.	...	34 50	
Gorman Hugh	4 67	....	
Griffin E. C.	....	....	20 00
Gorman Michael	....	....	40 00
Levi Haas	....	....	57 00
Holton Rebecca	....	....	30 00
Hartley Emma	....	....	20 00
Kimble Mary J.	....	....	24 21
Lewis William	70 00	....	
Lewis Samuel	....	8 00	
Minshall Susan A. H.	5 00	....	
Pierce James F.	5 00	....	
Rea Hugh	....	....	35 00
Robbins Isaiah	....	....	30 00
Roberts Howard	8 82	....	
Thompson Shuler	20 00	....	
Shepherd William	....	32 00	
Shields W. S.	....	....	66 00
Troth Oliver	....	40 00	
Weaver Elias	5 00	....	
Wheaton Andrew	....	....	298 95
Welsh P. A.	....	8 00	
Yerkes John	....	....	104 00

Amounts

1st column 285.49
2nd " 476.25—471.25
3rd " 848.16.

The *Good* and *Doubtful* will probably all be collected by Oct. 1, 1887 The *Bad* are not collectible from present owners but may become so on transfer of property.

Judgment Notes

For rents due prior to January 1, 1887 and unpaid in whole or in part May 1, 1887

Names	Total	Amt due May 1, '87	Amt due May 1, '87 Exclusive of Int
Bradley Patrick	91 64	76 64	76 64
Boyd Matthew	58 40	58 40	57 00
Crew Amelie	54 76	54 76	50 00
Coombes William	20 00	16 00	16 00
Coombes George	20 00	15 00	15 00
Chester Evg. News	47 00	24 22	24 22
Davidheiser Henry	39 00	19 00	19 00
Deemer S. S.	37 83	37 83	32 00
Friel James	25 00	10 00	10 00
Fountain John	51 00	51 00	51 00
File John	10 00	5 00	5 00
Feeley Michael	16 96	6 96	6 96
Gardner James	25 50	13 50	13 50
Hall W. H.	45 40	45 40	44 00
Harvey Dr E.	114 83	114 83	107 64
Harrison Mrs Wm.	43 40	43 40	43 40
Hassin Patrick	27 50	23 50	23 50
Howarth John	45 00	35 00	35 00
Morrow H. F.	30 00	22 80	22 80
Murphy Wm.	18 42	18 42	16 00
Lewis David J.	138 00	118 00	118 00
Mullen M. E.	22 03	16 03	16 03
Maloy John	12 33	12 33	12 33
Nelson James	100 00	100 00	100 00
Pollitt John	48 40	38 40	38 40
Sullivan H. K.	28 30	18 30	18 30
Starr Dr. Saml.	66 00	16 00	16 00
Taylor H. B.	77 91	77 91	73 00
Taylor E. C.	147 67	122 67	121 00
Troth Oliver	89 00	79 00	79 00
Weigand George	98 03	78 03	78 03
Wallace John A.	49 00	39 00	39 00
Young John	20 00	18 00	18 00
Total	$1,769 31	$1,476 33	$1,446 75
	1,718 31	1,425 31	1,395 75

Time Notes

Water Rent only

J. C. & W. G. Price	3 months	Due June 4-7-87		364 00
J. L. Bullock	60 Days	" July 2 87		87 00
Morris Linton	4 Months	" " 2-5-87		28 00
J. C. & W. G. Price	3 Months	" Aug 5-8-87		265 87
Total				$744 87

Summary.

Current Accounts	$1,609 90
Judgment Notes	1,446 75
Time Notes	744 87
Total	$3,801 52

SCHEDULE E.

Amounts due South Ward Water Works May 1, 1887.

CURRENT ACCOUNT FOR WATER RENT ONLY, ALSO AMOUNTS DUE FOR WHARFAGE MAY 1, 1887

Amounts due South Ward Water Works on current account for Water Rent only May 1, 1887

Anderson Robert	Kerlin St.	4 00
Abbott Mrs Geo. Tenant	Fourth St.	10 00
Baker Mrs E. W. Est	Barclay St.	14 00
Barrowclough John	West 3rd. St.	9 00
Baxter Maria L Est	East Fifth St.	4 00
Barton Edw. L	West 8th St.	8 00
Bickley M. H.	502 E. Broad St.	11 50
Bradley Patrick	3 properties	22 00
Bruton Mrs Kate	Upland St.	4 00
Broughton Mrs Thos.	East Broad	8 00
Booth Thomas	Edgmont Ave.	5 00
Chester News Pub. Co.	Market St.	10 00
Chester Times Pub. Co.	Market St.	4 00
Chester Cricket Club	12th St.	10 00
Church Im. Heart	Rectory W. 2nd. St.	8 00
Coloumb H. R.	Sundry properties	127 00
Collingsworth John	414 E. 8th St.	7 00
Cowan James	732 W. 2nd. St.	4 00
Combination S & I Works	West Front St.	257 38
Dougherty Bernard	729 Green St.	4 00
Dougherty Peter	705 Green St.	4 00
De Silver Joseph	115 E. 3rd St.	7 00
Eyre William P.	Edgemenot Ave.	24 00
Ennis James	410 E. 8th St.	4 00
Fahey Michael	230 Washington St.	4 00
Feeley Michael	518 E. 10 St.	4 00
Famer C. P.	3rd & Lloyd St.	20 00
Friel James	Ninth St.	4 00
Gartside John	Concord Ave.	32 00
Gardner Mrs James		4 00
Hardy Mrs Francis	Edgmont Ave	5 00
Haas Conrad Tenant	Market St.	15 00
Hill G. W.	701 Green S L	4 00
Hoffman S. V.	W. 2nd. & Fulton St.	14 00
Justice Wm & Sons	149 E. 7th St.	11 00
Kirkpatrick Robert	223 Washington St.	7 00
Lytle S. T. Tenant	Abbotts Hotel	7 00
Lewis Wm.	Sth. Chester	60 00
Lilley Edw.	Kerlin St.	4 00
Ladomus Mrs Annie	E. 3rd. St.	7 00
Maginnis David	Fulton St.	8 00
Amounts forward		$770 38

Amounts Forward		770 38
Maloy John	E. Ninth St.	7 00
Miles Edw.	808 W. 3rd St.	7 00
Murphy Wm.	W. Fifth St.	4 00
Murray Matthew	1206 W. 2nd	4 00
Minshall Susan A.		4 00
McDonnell John	West 2nd. St.	4 00
McIlhenny Mary Est.	McIlvain St.	9 00
McCarthy Jesse		4 00
Phillips Emma R.	217 Bromall St.	4 00
Pierce James F.	35 Graham St.	4 00
Riley William	Lincoln St.	4 00
Roberts Howard	E. 5th St.	7 00
Saunders Anna P.	227 E. 5th St.	8 00
Shepherd Wm.	148 W. 2nd. St.	4 00
Thompson Shuler	628 W. Front St.	4 00
Taylor E. C.	53 E. 7th St.	11 00
Wallace John A.	Kerlin St.	10 00
Watts Patrick	311 Kerlin St.	10 00
Walker Thomas	Washington St.	4 00
Welsh P. A.	238 E. 5th. St.	7 00
Whitlock W. W.	216 Patterson	4 00
Wilkie James	Broomall St.	4 00
Wood Margaret Est.	214 Fulton St.	4 00
Total		$896 38

Amount due South Ward Water Works for Wharfage May 1, 1887.

Eureka Steel Casting Co.	224 Tons at 5 c.		11 20
Gartside J. & A.	180	" Coal 5 c.	9 00
Rawnsley R.	40	" Sand 5 c.	2 00
Total			$22 20

SUMMARY.

Unpaid Water Rents for 1887	896 38
Wharfage	22 20
Total	918 58

For and in consideration of one dollar to us in hand paid by Harry S. Hopper, we Samuel R. Bullock & Co. hereby assign transfer and set over unto the said Harry S. Hopper all our right, title and interest, in and to the moneys, suits,

choses in action &c. mentioned and contained in the foregoing assignment, with all our remedies for the collection of the same, to have and to hold the same to the said Harry S. Hopper his executors, administrators and assigns.

Witness the signature of the said Samuel R. Bullock & Co. and of the said Samuel R. Bullock this 8th day of July 1887

Signed in presence of
Wm. C. Hannis
Wm. P. Ellis.

SAML R. BULLOCK & Co
SAML R. BULLOCK

Subject to the foregoing assignment, and in partial performance of our construction contract with The New Chester Water Co., we Samuel R. Bullock & Co., do hereby assign all our right, title and interest in the foregoing, moneys claims, suits, choses in action &c. mentioned in the foregoing assignment, to the New Chester Water Co. to have and to hold the same to the said Company its successors and assigns, with all our remedies for the collection of the same.

Witness the signatures of the said Samuel R. Bullock & Co. and of the said Samuel R. Bullock this 8th day of July 1887.

Signed in the presence of
Wm. C. Hannis
Wm. P. Ellis.

SAML R. BULLOCK & Co
SAML R. BULLOCK

Ex. G, 4/30/90. A. J. H.

THIS INDENTURE, Made the twelfth day of July in the year of our Lord one thousand eight hundred and eighty-seven between Samuel R. Bullock of the City of Brooklyn in the State of New York and Carrie M. his wife of the one part and Harry S. Hopper of the City of Philadelphia in the State of Pennsylvania of the other part, *Witnesseth*, That the said Parties of the first part for and in consideration of the sum of Fifty three thousand seven hundred dollars lawful money of the United States of America, unto them well and truly paid by the said Harry S. Hopper at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, have granted, bargained, sold, aliened, enfeoffed, released and confirmed, and by these presents do grant, bargain, sell, alien, enfeoff, release and confirm unto the said Harry S. Hopper, his Heirs and Assigns, All those two certain, Tracts, Lots or pieces of land with the Reservoir Buildings, Pipes, Wharf, Engines, Boilers, Machinery and fixtures thereon erected and contained, bounded and described as follows that is to say:—

The First Thereof being all that certain lot or piece of ground, Situate on the south side of Front Street in the City of Chester in the State of Pennsylvania aforesaid. Bounded on the north by the said street, on the south by the River Delaware at low water mark, on the east by lands of Nathan Pennell, formerly of Jacob Sinex, and on the west by lands of the heirs of Benjamin Gartside deceased. Containing in front on the said street one hundred and thirty feet and in depth at right angles thereto, continuing the same width about four hundred feet to low water mark aforesaid. And The Second Thereof being all that certain tract or piece of land Situate on the east side of the Concord Road in the Township of Chester in the County of Delaware and said State of Pennsylvania. Bounded on the south east by lands of Edmund Pennell, Containing along the eastern side of the said Road two hundred feet and in depth along the line of the lands of the said Ed-

mund Pennell four hundred and thirty five feet and six tenths, the northwestwardly line being parallel to the line last described. Containing two acres of land. Being the same premises which David M. Johnson, Thomas J. Houston, William C. Gray, John Lilley, Jr., and Jesse W. Rawcliffe, Members of the City Council of the City of Chester in the State of Pennsylvania for the South Ward thereof and *ex officio* corporators of the Water Works of the said South Ward by their deed, dated the seventh day of July A. D. 1887, duly executed and acknowledged and intended to be forthwith recorded in the office of the Recorder of Deeds in and for the County of Delaware, in said State of Pennsylvania, granted and conveyed to the said Samuel R. Bullock in fee. Together with all and singular the Improvements Ways, Waters, Water-Courses, Rights, Liberties, Privileges, Hereditaments and Appurtenances whatsoever thereunto belonging, or in any wise appertaining, and the Reversions and Remainders, Rents Issues and Profits thereof; and all the estate, right, title, interest, property, claim and demand whatsoever, of them the said parties of the first part in law, equity, or otherwise howsoever, of, in, and to the same and every part thereof, To HAVE AND TO HOLD the said Two certain Tracts, Lots or Pieces of land with the Reservoir, Buildings, Pipes, Wharf, Engines, Boilers, Machinery and fixtures thereon erected Hereditaments and Premises hereby granted or mentioned and intended so to be, with the Appurtenances, unto the said Harry S. Hopper, his Heirs and Assigns, to and for the only proper use and behoof of the said Harry S. Hopper, his Heirs and Assigns for ever.

And the said Samuel R. Bullock for himself his Heirs, Executors and Administrators, Does by these presents, covenant, grant and agree, to and with the said Harry S. Hopper, his Heirs and Assigns, that he the said Samuel R. Bullock and his Heirs, all and singular the Hereditaments and Premises herein above described and granted, or mentioned and intended so to be, with the Appurtenances, unto the said Harry S. Hopper, his Heirs and Assigns, against them the said Parties of the first part and their Heirs, and against all and every other Person or Persons whomsoever lawfully

claiming or to claim the same or any part thereof, by, from, through or under, him, her, them, or any of them shall and will Warrant and forever Defend.

In witness whereof, the said Parties to these Presents have hereunto interchangeably set their hands and seals. Dated the day and year first above written.

SAML. R. BULLOCK. [SEAL]
CARRIE M. BULLOCK. [SEAL]

Sealed and delivered in the presence of us.

C. WOLTMANN,
CHARLES M. BERRIAN.

Received, the day of the date of the within or aforegoing Indenture of the within named

Witnesses SAML. R. BULLOCK.

C. WOLTMANN.
EDWIN F. COREY.

STATE OF NEW YORK, }
CITY AND COUNTY OF NEW YORK, } *ss.*

On the 12th day of July Anno Domini 1887 before me, the Subscriber Edwin F. Corey a Commissioner for the State of Pennsylvania in New York personally appeared the above named Samuel R. Bullock and Carrie M. his wife and in due form of law acknowledged the within Indenture to be their and each of their act and deed, and desired the same might be recorded as such; and the said Carrie M. being of full age, and separate and apart from her said husband by me thereon privately examined, and the full contents of the within Deed being by me first made known unto her did thereupon declare and say that she did voluntarily and of her own free will and

accord, sign, seal, and as her act and deed, deliver the within written Indenture, Deed, or Conveyance, without any coercion or compulsion of her said husband.

Witness my hand and official seal, the day and year aforesaid.

EDWIN F. COREY

[Commissioner's Seal.] *Commissioner for the State of Pennsylvania*
Office, 60 Wall Street, N. Y.

Recorded in the Office for Recording of Deeds in and for Delaware County, Pennsylvania in Deed Book I No. 6 page 452 &c.

Witness my hand and seal of Office this Fifteenth day of July Anno Domini 1887.

EDWARD BLAINE,

[Recorder's Seal.] *Recorder.*

Ex. H, 4/30/90. A. J. H.

WHEREAS on the seventh day of July 1887 Samuel R. Bullock executed and delivered to me a certain bond and mortgage for $53,700\frac{00}{100}$ on real estate that was conveyed to him by the Corporators of the South Ward Water Works of Chester for which bond and Mortgage a deed for said Real Estate is to be substituted forthwith by said Saml R. Bullock upon which said Bond and Mortgage is to be surrendered; AND WHEREAS on the 8th day of July Saml R. Bullock & Co. transferred to me certain personal property, and claims for money due which were also assigned to them on the 7th day of July by the Corporators of the South Ward Water Works which said transfers were made to me as collateral security for money loaned to the said Saml R. Bullock & Co. by Wm. G. Hopper & Co. AND WHEREAS the said money so loaned was furnished to Wm. G. Hopper & Co by Wm. Bucknell *Now Know all men by these presents* that I Harry S. Hopper do hereby certify acknowledge and declare that I hold said property real and personal so transferred to me by Samuel R. Bullock, and Saml R. Bullock & Co. for the sole use and benefit of Wm. Bucknell as security for the money furnished by him as aforesaid, and will retain said security for his use and benefit until the said money furnished by him is returned.

In witness whereof I have hereunto set my hand and seal this Ninth day of July A. D. 1887

HARRY S. HOPPER [SEAL]

STATE OF PENNSYLVANIA }
CITY & COUNTY OF PHILADELPHIA } *ss.*

On this 3d day of August 1887 before me the subscriber a Notary Public for the Commonwealth of Pennsylvania residing in the City of Philadelphia; personally appeared the within named Harry S. Hopper personally known to me as such who in due form of law acknowledged the within instrument of writing to be his voluntary act and deed & desired the same might be recorded as such.

Witness my hand & official seal

ALEX RAMSEY
Notary Public.

[SEAL]

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Ex. I, 4/30/90. A. J. H.

OFFICE OF

SAML. R. BULLOCK.

Mortimer Building,

Engineer and Contractor.

11 Wall Street,
NEW YORK, Feb. 2nd, 88.

Messrs. Wm. G. Hopper & Co, No. 28 South 3rd St.,
Philadelphia, Pa.

GENTLEMEN:—We enclose herewith note for $398.82, four months from Feb. 1st, to our order, this being for the amount advanced yesterday, and which closes the payment on Mobile, Chester and Greencastle account, under agreement between yourselves, R. D. Wood & Co., and ourselves, dated Oct. 26th, 1887. Please acknowledge receipt.

We telegraphed you this morning in reply to your inquiry, that our Mr. Woltmann took with him only the two old notes, signed by him as Attorney, and for which new ones were handed you, signed by our Mr. Bullock; as also the note which we herewith return. We trust you found the other papers. Yours truly,

SAML. R. BULLOCK.

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Ex. J, 4/30/90. A. J. H.

PHILADELPHIA, November 1, 1888.

On the First day of February 1889, without grace we promise to pay to the order of William G. Hopper & Company One million four hundred and twenty seven thousand two hundred 54/100 dollars with interest thereon from the date hereof without defalcation for value received.

And we hereby authorize any attorney of any Court of Record in Pennsylvania, or any other state to appear for us and to confess judgment against us for the said sum with release of errors &c. and we hereby also waive all stay of execution from and after the maturity of the above note.

And to secure the payment of this note with the interest thereon we have pledged to William G. Hopper and Company the holders thereof, the following collateral security and delivered the same to them, viz:

140,000 Bonds of the Greencastle Water Company.
750,000 Bonds of the Bienville Water Supply Co.
300,000 Bonds of the South Chester Water Co.
435,000 Bonds of the New Chester Water Co.
25,000 Bonds of the Stevens Point Water Co.
20,000 Bonds of the Natchez Water Co.
15,000 Bonds of the Marion Water Co.
2,500 Shares of Stock of the Greencastle Water Co.
4,000 Shares of stock of the Bienville Water Supply Co.
18,000 Shares of stock of the New Chester Water Co.
5,500 Shares of stock of the South Chester Water Co.
1,200 Shares of Stock of the Denison City Water Co.
4,290 Shares of stock of the Vincennes Water Supply Co.
700 Shares of stock of the Massillon Water Co.
16,000 Bonds of the New Chester Water Co. to be received.
Equity in 49,000 the New Chester Water Co.
Equity in 10,000 the Greencastle Water Co.

And the said William G. Hopper and Company having by agreement in writing bearing even date herewith agreed that

if the interest hereon is punctually paid on said First day of February 1889, they will extend the time of payment of this note without the giving of a new note for another period of three months and so on from three months to three months so long as interest is punctually paid on the first day of May, August, November and February of each year, until the first day of August 1892, we hereby agree that if the interest on this note shall not be paid when the same shall become due, or from time to time thereafter as the same may be extended as aforesaid the said William G. Hopper and Company are hereby authorized, after giving ten days written notice to us, and to R. D. Wood and Company, to sell and transfer either at public or at private sale sufficient of said collateral securities to pay the said note, interest, commission and costs of sale in full, and are hereby authorized to become the purchaser and absolute owner thereof free of all trusts and claims should such sale be made at the Brokers Board or be public.

(Signed) SAMUEL R. BULLOCK & CO.

Signed in the presence of
WM. C. HANNIS
WINFIELD S. SHEARD

And, afterwards, to wit: on the 28th day of May, A. D., 1891, come (865)
the parties aforesaid by their counsel aforesaid, and this cause being called for argument on final hearing, and having been argued by counsel for the respective parties, and the court not being fully advised in the premises, takes further time to consider thereof.

And, afterwards, to wit: on the 19th day of September, A. D., 1891, come the parties aforesaid by their counsel aforesaid, and the Court aforesaid, and the court being now fully advised in the premises, file the following opinion, to wit:—

IN THE UNITED STATES CIRCUIT COURT IN THE EASTERN (866)
DISTRICT OF PENNSYLVANIA. THIRD CIRCUIT.

THE HOLLY MANUFACTURING CO., *et al.*
vs.
THE NEW CHESTER WATER COMPANY *et al.*

In Equity.

October Session, 1888.

No. 3.

Opinion of the Circuit Court.

ACHESON, Cir. J.

The proofs in this case are unusually voluminous, and the transactions thereby disclosed are many and complicated. Some matters, which we regard as immaterial, to the real issues we will not discuss or mention. The controlling facts we find to be as follows:—

In the year 1885 charters of incorporation were obtained for four water companies, namely, the New Chester Water Company, the South Chester Water Company, the Penn Water Company, and the Upland Water Company, formed for the purpose of furnishing water for public and domestic use to the city of Chester and adjacent boroughs, in Delaware county, Pennsylvania.

On December 9th, 1886, before any work was done by them a written agreement was entered into between the four named companies in their corporate capacity, all the stockholders | thereof individually, and Samuel (867)
R. Bullock & Co., a firm of water-works' contractors. The leading purpose of the parties to this agreement is expressed in the following clause of the preamble: "And whereas, the stockholders are desirous of selling their said shares of captital stock, and of transferring and surrending the absolute control of the water companies and the vendees (Bullock & Co.) are desirous of purching and acquiring the same." Accordingly the

stockholders thereby agreed to transfer all the stock of said companies to Samuel R. Bullock & Co. and to deliver to them "all the charters, certificates organization, books, papers, deeds, maps, plans, estimates, stock-certificate-books, transfer-books, minute-books, receipts, accounts, contracts, the corporate seals, and all other property of any and every description, kind or nature belonging to the water companies, or any of them; and, in consideration thereof, Bullock & Co. agreed to enter into a contract with the water companies, on terms to be arranged, for the construction and equipment of a system of water-works four furnishing water to the places which the companies were authorized to supply.

The stockholders having complied with their part of this agreement, the following transactions took place and contracts were entered into, all on March 21st, 1887. Resolutions were adopted by the stockholders of the Penn Water Company and Upland Water Company to sell and convey the franchises and property of those companies to the South Chester Water Company, and such written transfer were executed. Resolutions were adopted by the stockholders of the South Chester Company to increase its capital stock from $1,000 to $600,000, and to issue its bonds for $300,000, to be secured by a mortgage upon it sfranchises and property. Resolutions were adopted by the stockholders of the New Chester Company to increase its capital stock for $500,000 to $1,000,000, to issue its bonds for $509,000, to be secured by a mortgage upon its franchises and property, and that the company guarantee the said bonds of the South Chester Water Company. The New Chester Water Company and the South Chester Water Company entered into an agree-
(868) ment, which, *inter alia*, provided that the former company by its machinery and from its reservoirs, would supply water through the pipes of the latter company to its territory. And finally, a contract in writing was entered into between Samuel R. Bullock & Co. and the New Chester Water Company, whereby the former agreed to provide the necessary land for an engine and boiler-house and a reservoir site, and to furnish all material and labor for and to construct and equip water-works at Chester, to be accepted by the water company after completion and satisfactory inspection and test, for the consideration of the contractors of $500,000 in the mortgage bonds of the water company and 17,000 shares of its capital stock of the par value of $50 each.

At that date, March 21st, 1887, the stockholders of the New Chester Water Company and the number of their respective shares were as follows: Samuel R. Bullock & Co., 9,995 shares; J. L. Forwood, 1 share; W. H. Miller, 1 share; E. F. Fuller, 1 share; Ellis Morrison, 1 share; Charles M. Berrian, 1 share. Each of the last-named five persons then held one share of stock in each of the other-named water companies, Bullock & Co. holding the rest of stock thereof. The proofs fully warrent the conclusion that these holding of stock by Forwood, Miller, Fuller, Morrison, and Berrian were nominal and formal, merely to give a legal *status* to the organization. These five person constituted the board of directors of the New Chester Water Company, Forwood being president and Miller secretary. Fuller was chief engineer of the company and an employee of Bullock & Co. Berrian was the attorney of the company and private counsel of Mr. Bullock. All

these five directors were completely under the control and direction of Samuel R. Bullock & Co. Emil Woltman, the treasurer of the company, was the confidential clerk of that firm.

Samuel R. Bullock has here testified: "An arrangement was perfected whereby the *personnel* of the New Chester Water Company was subordinated to the management, direction, and control of my firm, based upon the idea that we | would carry out the objects for which that company (869) was incorporated." This statement is true. At the dates of several transactions to which reference is about to be made, and from March 21st, 1887 continuously down until November, 1888, Samuel R. Bullock & Co. had "the absolute control" of the New Chester Water Company, and the organizatian of that company was wholly under the management and practically in the hands of that firm. The directors acquiesced in whatever that firm did and practically were but its agents.

On April 1st, 1887, the New Chester Water Company executed a mortgage of its franchises and property then owned or thereafter to be acquired to the Farmers' Loan and Trust Company, a corporation of the State of New York, to secure payment of $500,000 of its bonds payable to Samuel R. Bullock & Co., or bearer, and the South Chester Water Company executed a like mortgage to the same trustee to secure like bonds to the amount of $300,000.

On May 31st, 1887, an agreement in writing was entered into between South Ward Water Works, a corporation, the City of Chester, and the New Chester Water Company, whereby for a consideration mentioned and moving from the last named company, the first named corporation agreed to sell, transfer, and convey all its property, real, and personal, to the New Chester Water Company.

On June 13th, 1887, a contract in writing was made between William G. Hopper & Co. and Samuel R. Bullock & Co., whereby, for a specified consideration, the former agreed to furnish to the latter advances of money upon the bonds of the New Chester Water Company, as earned by and delivered to Bullock & Co., and the notes of that firm, with a deposit as further collateral security of all the stock of the New Chester Water Company and the property of the South Ward Water-Works.

On July 7th, 1887, Hopper & Co. made a special advance of about $300,000 to Bullock & Co. to enable them to consumate the purchase of the South Ward Water-Works, and as security therefor Bullock & Co. delivered to Hopper & Co. | the above-mentioned $300,000 of bonds of (870) the South Chester Water Company.

In pursuance of a written authority signed "J. L. Forwood, president," and "W. H. Miller, secretary," the real estate of the South Ward Water-Works by the deed of that corporation dated and executed July 7, 1887, was conveyed to Samuel R. Bullock in fee.

On July 12th, 1887, Samuel R. Bullock by deed of that date conveyed the said real estate to H. S. Hopper, who, on July 29, 1887, executed and give to Bullock an instrument in writing setting forth that the conveyance to him was made as security for advances made and to be made by Hopper & Co to Bullock & Co.

All the advances which Hopper & Co. ever made under their contract of June 13th, 1887, were made prior to September, 1887.

On August 3d, 1887, Samuel R. Bullock Co., and the Holly Manufacturing Company, a corporation of the State of New York, entered into a written contract, whereby the latter agreed to manufacture two pumping-engines of specified capacity, and set up the same at the City of Chester for the sum of $50,000; payable $8,333.33 on each engine when it has been properly run thirty days, and the like sum on each engine when delivered in Chester, and the like sum on each engine when it has been properly run thirty days, and the like sum on each engine thirty days thereafter. The contract contains the following clause:—

"When said engines and connections are completed and ready for service, and on notice thereof to the party of the first part (Bullock & Co.) to that effect, the same shall be subjected to a fair trial of their capacity and efficiency for not exceeding twenty-four hours, and on the successful testing thereof the liability of the party of the second part (Holly Company) hereunder shall cease and determine, but it is expressly understood and agreed that the party of the second part shall have a lien on all of said engines and connections, and the party of the second part may remain in and have full possession thereof until the whole amount of the purchase price of said engines and connections shall have
(871) been fully paid to the party of the second part or its assigns."

One payment only, namely the sum of $8,333.33, was made to the Holly Company under its contract, and the date of the bringing of this suit the balance, or sum of $41,667, was due that company on said engines.

On October 26th, 1887, a tripartite agreement was entered into between Samuel R. Bullock & Co., R. D. Wood & Co., and William G. Hopper & Co., whereby, after reciting contracts between Bullock & Co. and Hopper & Co. for advances by the latter to the former upon a pledge of bonds and stocks of water companies, and assignment by Bullock & Co. to Wood & Co. of the bonds and stock so pledged as collateral security for materials they had furnished, and contracts between Bullock & Co. and Wood & Co. by which the latter had undertaken to complete water-works at Chester, Greencastle, and Mobile, and the representation by Bullock & Co. that $200,000 would enable them to complete these works, William G. Hopper & Co. agreed to to advance to Bullock & Co. $200,000, the same to be applied by Wood & Co. to the completion of the water-works at the three named places in certain specified proportions; Wood & Co. to present to Hopper & Co. the detailed applications by Bullock & Co. for money as needed, and Hopper & Co. thereupon to furnish such amounts (within the limit stated) to Wood & Co., who should give their checks for the same to Bullock & Co. who should disburse the moneys for the purposes aforesaid; and in consideration of this advance by Hopper & Co., Wood & Co. agreed to procure the completion of the water-works at the three named places "clear of all liens ahead of the securities held by William G. Hopper & Co."

Under this agreement Hopper & Co. advanced the $200,000, which was all applied to the water-works at the three named places, but not in the proportions mentioned in the contract. The specified amount applicable to the works at Chester was $129,800, whereas the sum actually applied was $61,000 only. But the representation by Bullock

& Co., that $200,000 would suffice to complete the works at the three | places proved to be incorrect, for besides the money so advanced by (872) Hopper & Co., Wood & Co., in the completion of these works, used $105,000 of their own money, and even then the balance of $41,667 due the Holly Company on the pumping-engines at Chester was left unpaid, and also $25,000 due that Company on engines at Mobile; and, it would seem, some other debts remained unsettled.

All the advances by Hopper & Co. under the tripartite agreement were made before the latter part of January, 1888, except a trifling sum which was paid shortly afterwards.

In October 1887, the Holly Company shipped one of the pumping-engines to Chester, and in February, 1888, the other. Each was consigned to that company itself, and its agents at Chester oeceived the engines and proceeded at its expense to put them in place. They were set on the top of masonary foundations, and were attached thereto by a number of two-inch iron bolts. They could not be operated or tested otherwise. The engines stand in a brick building erected on land which the South Ward Water-Works Company agreed to sell and convey to the New Chester Water Company, but actually conveyed to Samuel R. Bullock, who conveyed the same to H. S. Hopper for the purpose set forth in the paper executed by the latter, as already mentioned. Each engine weighs from about 70 to 80 tons; but they can easily be disconnected from the foundations on which they rest without disturbing the foundations, and can readily be taken apart and through the door of the engine house without injury to the building.

When the first engine was shipped to Chester John Lockman, by order of the Holly Company and as its agent, went there to superintend the erection of the engines and to take charge and control thereof. This he did, remaining constantly in charge. The work of setting them up and ready for service was not completed until some time in July 1888, but for the delay the Holly Company was not responsible. From the time the first engine was got in working order Lockman acted as engineer, and he has maintained the exclusive charge and custody of both engines. He has carried a | key of the building. His wages have been all paid (873) by the Holly Company and he has acted throughout as its agent.

No formal rest of the pumping capacity of the engines as provided by the contract was ever made, nor was there any formal acceptance of them by any one. When ready they were set to work pumping water into the reservoir, and have continued to do so under Lockman's control. It is shown that explicit instruction was given by the Holly Company to Lockman to hold possession of the engines of that company, but the exact date thereof does not appear. Lockman states it was given about midsummer 1888. Samuel R. Bullock, referring to conversations he had with the officers or representatives of the Holly Company, testified thus: "They told me that they proposed to have Lockman remain there as their representative in charge of the pumps but they didn't want to interfere with the operations of the company, so he could act as engineer and run the pumps right along;" and Mr. Bullock further testified that he consented to Lockman remaining in possession and charge as desired

by the Holly Company. This testimony of Mr. Bullock is uncontradicted, and there is no reason to doubt its truthfulness.

The bill in this case was filed September 19th, 1888, while Lockman was still in control of the pumping-engines and he has since maintained his charge and custody thereof in the manner stated, as the representative and under the pay of the Holly Company.

In November 1888, Bullock & Co. assigned their entire remaining interest in the bonds and stock of the New Chester Water Company to Wood & Co., and at the same time delivered to them resignations of the officers of the water company. Thereupon new officers were elected, and the water company then took the actual possession of the works, but Lockman's control of the engine continued.

Hopper & Co. and Wood & Co., together hold substantially the entire mortgage bond issue of $500,000 of the New Chester Water Company. sixteen bonds of $1,000 each are, indeed, held by Dyer and Black—under a pledge made in July, 1887—but only to indemnify them against a claim
(874) which the | water company itself may have against them as sureties for Bullock & Co., touching a lien of $15,000 which they were to remove.

All the bonds and stock of the New Chester Water Company which Bullock & Co. were to receive under their construction contract had been delivered to them probably before the first pumping-engine reached Chester, and certainly before its erection began.

On March 31st, 1890, Samuel R. Bullock and wife executed and delivered to the New Chester Water Company a deed of conveyance of the land upon which the engine-house and pumping-engines stand.

Upon this state of facts two questions are presented for our determination: First, whether R. D. Wood & Co. are under any personal liability to the Holly Manufacturing Company; and, second, whether that company has a valid lien upon or claim to the pumping-engines at Chester enforceable in this suit.

The first question, it seems to us, is not difficult of solution. The Holly Company was not a party to the tripartite agreement of October 26, 1887. That instrument contains no provision expressed to be in its behalf. Neither was any money thereby specifically set apart to pay for the pumping-engines either at Chester or Mobile. The agreement was for the mutual benefit of the three parties who executed it, and to promote a purpose in which they had a common interest. To secure the faithful application to that object of the fund which Hopper & Co. proposed then to advance, it was stipulated that it should pass through the hands of Wood & Co., but the paper provided that ultimately the money should be distributed by Bullock & Co. It was then believed that $200,000 would complete the water-works at Chester, Greencastle and Mobile. So Bullock & Co. had represented. Confiding in the correctness of that estimate the paper provided for the apportionment of the fund between the three places. But this did not give third persons any right to control the application of the fund or any vested interest therein. The parties to
(875) the agreement did not relinquish their joint | dominion over the fund. As between themselves the agreed apportionment in the first instance was binding, but it was not irrevocable by them. Therefore when they discovered that the fund was insufficient to accomplish all that was intended,

it was competent for them to change the apportionment. This was done by their mutual consent, and no third person has any right to complain. In point of fact, every dollar of the money so advanced by Hopper & Co. was used in the completion of the water-works at the three places, although not in the proportions originally contemplated.

We note the recital in the tripartite agreement that "Samuel R. Bullock & Co. and R. D. Wood & Co. have entered into certain contracts by which the said R. D. Wood & Co. have agreed to complete the water-works at Chester, Greencastle and Mobile." But those contracts are not in evidence, we do not know their contents, and they are not here available to the Holly Company.

The stipulation that Wood & Co. would procure the completion of the water-works "clear of all liens ahead of the securities held by Wm. G. Hopper & Co.," was for the special benefit of that firm, and the Holly Company is a stranger to the consideration upon which it was based. Moreover, Wood & Co. have made advances out of their own pockets to the amount of $105,000 not contemplated by the parties. Notwithstanding this unexpected result they may still be legally answerable to Hopper & Co., but we do not perceive that the Holly Company has any right to equitable relief by virtue of anything contained in the tripartite agreement. Nor does the fact that Bullock & Co. assigned all their remaining interest in the bonds and stock of the New Chester Water Company to Wood & Co. affect the case. The good faith of that transfer is not impeached. Neither under the proofs can it be maintained that the stock of the water company in the hands of Wood & Co. is unpaid capital stock, and hence a trust fund for the payment of the debts incurred on behalf of the company.

We are, then, of the opinion that no equitable ground to charge R. D. Wood & Co., personally, is shown.

We pass now to a consideration of the rights of the Holly Manufacturing Company under the clause already quoted of the contract of August 3, 1887. The language there used is plain and the purpose unmistakable. The contract not only created a lien upon the engines for the purchase price, but it also provided that the Holly Company "may remain in and have full possession" thereof until the price is paid. The privilege thus conferred upon the Holly Company to maintain possession evidently was for the better security of the purchase-money. This right, it is to be assumed, was to be exercised in such a manner as was consistent with the nature of the property and the use to which it was designed. But certainly the parties did not contemplate any such unqualified delivery of the pumping-engines as would wholly defeat the exercise by the Holly Company of its right to possession. Manifestly the engines were not to become inseparably incorporated with the real estate until they should be subjected to the prescribed "trial of their capacity and efficiency" and were accepted. Had they failed to meet the required test the vendor would have been compelled to take them away. Neither was it intended that the engines should be converted from personalty into reality until they were paid for. The Holly Company's right to "remain in and have full possession" of the engines plainly was inconsistent with such a conversion. All this, we think, is very clear. And we here ob- (876)

serve that at the date of the contract Bullock & Co. were in possession of the real estate and the legal title was in Bullock, for the transaction between him and H. S. Hopper—the deed to the latter and his written acknowledgement—constituted only a mortgage. Bullock & Co., then, were in a position to stipulate as they did with respect to the Holly Company's lien for the purchase-money and its right to maintain possession of the engines as additional security.

Is there any rule of public policy which will defeat the undeniable intention of the parties as the same appears on the face of the contract? Now, while by the settled law of Pennsylvania where personal property is delivered under a conditional sale, a provision in the contract preserv-
(877) ing to the vendor | the title until the property is paid for, is void as respects execution creditors of the vendee, or an innocent purchaser from him, yet as against the vendee himself the seller may reserve the right of property in the goods until payment, and in default he may reclaim them, or resort to legal remedies. *Haak* vs. *Linderman*, 64 Pa. St., 499; *Krause* vs. *Com.*, 93 Id., 421. All the Pennsylvania cases agree that such a reservation of title to the goods as security for the price is valid as between the parties themselves. *Peek* vs. *Heim*, 127 Pa. St., 500; *Summerson* vs. *Hicks*, 134 Id., 566; *Levan* vs. *Wilton*, 135 Id., 561. In the very latest case on this subject, *Hineman* vs. *Matthews*, 138 Pa. St., 204, where there was a sale of timber on an agreement that the title was not to pass until payment, but the vendee was permitted to remove the timber and convert it into lumber, and then failed to pay, whereupon the vendor took possession of the lumber, it was ruled that he could hold it against a subsequent execution creditor of the vendee.

In *Harkness* vs. *Russell*, 118 U. S., 663, upon an exhaustive review of the decisions, the conclusion was reached by the Supreme Court of the United States that by the general rule of law, unaffected by local statutes or local decisions, a conditional sale of personal property accompanied by delivery is valid both as against the parties and third persons; and it was further shown that by the almost unanimous opinion of the courts a purchaser buying with notice from the conditional vendee cannot hold the property as against the claim of the original vendor.

The case of *Gregory* vs. *Morris*, 96 U. S., 619, is instructive. There a contract of sale of cattle gave the vendor a lien thereon for the price, and authorized him to designate a person to go along with and retain possession of the cattle, who upon non-payment was to sell the whole or a portion of the cattle. The court sustained the lien as between as parties. Chief Justice Waite, speaking for the court, said; "The lien at common law of the vendor of personal property to secure payment of purchase-money is lost by the voluntary and unconditional delivery of the property to the purchaser; but this does not prevent the parties from contracting
(878) for a lien, | which, as between themselves, will be good after delivery. So ordinarily, when the possession of a pledge is relinquished, the rights of the pledgee are gone. In this case, however, Morris was not willing to rely upon the lien which the law gave him as a vendor, or upon a mere pledge of the property, but required a special contract on the part of Gregory, securing his rights. This contract created a charge upon the property, not in the nature of a pledge, but of a mortgage. The lien, as

between the parties, was not made to depend upon possession, but upon a contract, which defined the rights both of Morris and Gregory, and the power of Morris for the enforcement of his security."

That it was competent for the parties here to agree that the pumping-engines should remain personalty until paid for, is not to be doubted under the Pennsylvania authorities. *Shell* vs. *Haywood*, 16 Pa. St., 523; *Harlan* vs. *Harlan*, 20 *Id.*, 303. In *Shell* vs. *Haywood*, *supra*, the court declared that the rule of severance and removal is one subject to the control and modification of the parties representing the property, who may vary the same according to their convenience, pleasure, or regard for right; for (said Chambers, J.) "whether attached to the reality or not, or in whatever manner attached, is immaterial, when the parties agree to consider it personal property." All the Pennsylvania cases (and they deal with boilers, engines, and machinery generally) concur in the view that it is not the character of the physical connection which constitutes the test of annexation, but intention is the true legal criterion. *Hill* vs. *Sewall*, 53 Pa. St., 271; *Benedict* vs. *Marsh*, 127 *Id.*, 309. It was therefore held in *Vail* vs. *Weaver*, 132 Pa. St., 363, that the engine, machinery, and appliances of an electric-light plant erected upon and firmly attached to real estate do not pass to a purchaser of the real estate at a sale upon a mortgage of the realty made and recorded before the plant was placed by the mortgagor on the mortgaged premises, unless it was the intention to make the plant a part of the realty when it was erected. This decision seems to us to be a decisive answer to the argument that the pumping-engines as after-acquired property, came within the grasp of the | mortgage of April 1, 1887, to the Farmers' Loan and (879)
Trust Company, in such a manner that the Holly Company's lien was displaced.

This case belongs rather to that class of cases of which *United States* vs. *New Orleans Railroad*, 12 Wal., 362, is the exponent, than to the class represented by *Porter* vs. *Pittsburgh Steel Co.*, 122 U S., 267. The subject-matter of contest in the former of these two case was after-acquired rolling stock of a railroad, which by the purchase contract was charged with a lien for the price. The the proposition that a prior general mortage which in terms covered after-acquired property attached to this rolling stock as soon as acquired to the displacemet of the contractual lien, the court, speaking by Mr. Justice Bradly, said: "That doctrine is intended to subserve the purposes of justice and not injustice. A mortgage intended to cover after-acquired property can only attach itself to such property in the condition in which it comes into the mortgagor's hands. If that property is already subject to mortgages or other liens, the general mortgage does not displace them, though they may be junior to it in point of time." It was there added that the result would be different in the case of rails or other materials which became a part of the principal thing. In the case of *Porter* vs. *Pittsburg Steel Co.*, *supra*, railroad bridges were the subject-matter of controversy. But rails and bridges necessarily become an actual part of the permanent structure of a railroad and are inseparable from it without destruction to the road. In that respect they are like the stone and bricks of a house. But detachable and removable machinery is susceptible of ownership distinct

from the land and buildings and may be subject of particular and separate liens. *Harlan* vs. *Harlan, supra; Benedict* vs. *Marsh, supra; Vail* vs. *Weaver, supra.* In the present case it is clear from the terms of the contract of August 3d, 1887, that the parties thereto did not intend that the pumping-engines should be converted from personally into realty until paid for, and the evidence shows beyond any doubt that the engines can be easily detached from their fastenings and removed without any injury to them or damage to the building.

(880) We think it would be a work of supererogation to enlarge upon the proposition that as against Samuel R. Bullock & Co. the Holly Company's contractual lien is good. They at least cannot gainsay its validity. Has the New Chester Water Company, upon the undisputed facts of this case, any better right? That company, indeed, was not formally a party to the contract of August 3d, 1887, but, if regard be had to the substance of things, it must be treated in this matter as a subject to the terms of the contract. For the purpose of the erection of the works at Chester the water company, as we have seen, had put itself it the "absolute control" of Bullock & Co. In the expressive language of Mr. Bullock "the *personnel* of the New Chester Water Company was subordinated to the management, directions, and control "of his firm. To all intents and purposes the directors and other officials of the water company were the mere servants of Bullock & Co. It appears that some of directors had positive knowledge of the terms of the contract with the Holly Company, and under the circumstances notice thereof is to be imputed to them all. Moreover, the open control which Lockman exercised over the pumping-engines was sufficient to affect the water company with notice of his principal's lien. But, in truth, with respect to this transaction, the distinction between Bullock & Co. and the water company is purely formal and fictitious. Bullock & Co. *were* the water company in everything but name. They really held the entire capital stock. Now no court has ever yet decided that an incorporated company in this artificiat capacity can be deemed to be ignorant of a matter affecting the company which is known to every individual stockholdes. In our judgment to treat the water company as a *bona fide* purchaser or possessor of the engines without notice of the contractual lien of the Holly Company, would be unreasonable and unjust. The water company cannot honestly retain the engines without paying the balance of the purchase price.

But to defeat the Holly Company the defendants invoke the decision in Foster *vs.* Fowler, 60 Pa. St., 27, that the land and building of an
(881) incorporated water company are not | subject to a lien under the mechanics' lien act. The Holly Company, however, claims nothing under the mechanics' lien law, nor a lien of the character thereby given. It is asserting a contractual lien which binds a certain removable piece of machinery which was not delivered absolutely but *sub modo.* It would, then, be misconception of the principle of that decision to apply it here. If a water company should contract for a pumping-engine to be paid for when set up and satisfactorily tested, would any one contend that having got the engine within its walls it could hold on to it without paying for it? But what difference does it make that a short credit of sixty days is given, the contract reserving to the vendor a lien with a possessory right as further security?

We fail to see that any one has equities superior to those of the Holly Company. No rights of third persons have intervened. When W. G. Hopper & Co. and R. D. Wood & Co. first acquired knowledge of the contract of August 3d, 1887, is the subject of dispute and the testimony is conflicting. Those firms, however, stood in close relations to Bullock & Co., and the facts about the contract for the pumping-engines were easily discoverable by them. The tripartite agreement of Oct. 26th, 1887, discloses that they were not unmindful of the possible existence of "liens ahead of the securities held by W. G. Hopper & Co.," and it was thereby agreed that the firm should be protected by W. Wood & Co. against all such liens. Certian it is that neither of those firms advanced any money on the faith of the pumping-engines. Neither did the water company itself part with any of its bonds or stock on the faith thereof. Finally, it appars that the bonds of the water company are still in original hands, Hopper & Co. and Wood & Co., between them, owning substantially all of them, and really representing the whole issue.

But the jurisdiction of the court is challenged because of the joinder as co-plaintiffs with the Holly Company Samuel R. Bullock & Co., whose true place the defendants contend is on their side; and it is insisted that when so placed the jurisdiction is gone, they being citizens of the same State with the | Holly Company. Bullock & Co. were brought upon the (882) record after the bill was filed by an amendment, which set for that they joined as parties plaintiff, "not as seeking any special or distinct relief in the premises, in this proceeding, but in affirmance of the rights of their co-plaintiff, the Holly Manufacturing Company, and in order to invest the court with fully jurisdiction in the premises, so that a complete decree protecting the rights of all parties can be made." Their voluntary joinder, with respect to the Holly Company's supposed equitable rights against Wood & Co., is put upon the grouud that Bullock & Co. stood to the Holly Company in the relation of trustees holding the legal title to the contaact, and their interest being with that company they might arrange themselves on the same side with it, agreeably to the principle recognized in *Pacfic Railroad* vs. *Ketchum*, 101 U. S. 299. This position we need not discuss, our conclusion upon that branch of the case being adverse to the Holly Company, upon a consideration of the merits of the eontroversy. So far as the bill seeks to enforce the Holly Company's lien, it is manifest that there is no dispute between the company and Bullock & Co. Samuel R. Bullock, indeed, was one of the principal witnesses in the case on behalf the Holly Company to establish its lien, and hence a decree in its favor would conclude him and his firm, if there were open question on that subject affecting them. But there is no such open question. The Holly Company is not seeking any relief and needs no decree against Bullock & Co. It is urged, indeed, that that company is proceeding as for a foreclosure without making its debtor, who is the owner of the property, a party defendant. But this is a mistaken view. The ownership of the engines is not in Bullock & Co., and, in truth, was never intended to be in them, for in the purchase they acted in the interest and behalf of the New Chester Water Company. But there can be no longer any pretense of ownership in Bullock & Co., for Samuel R. Bullock, by his deed, has conveyed the title to the real estate to the

water company. It is laid down in *Jones on Mortgages*, vol. 2, section 1404, that in an equitable suit for foreclosure the mortgagor after he has
(883) conveyed the whole of the premises | mortgaged is not a necessary part to the suit. Moreover, Bullock & Co. have assigned at their interest in the bonds and stock of the water company to Wood & Co. Therefore they have no longer any interest, near or remote, in this particular controversy. They are altogether formal parties, whose presence does not oust the jurisdiction of the court, coming within the rule laid down in *Wormley* vs. *Wormley*, 7 Wheat., 451, where the applied test was whether a decree was sought against the party. Here the Holly Company seeks to enforce a charge *in rem*, and Bullock & Co. have neither title to nor interest in the thing.

To the objection that the Farmers' Loan and Trust Company is not joined as a defendant in this suit, it is sufficient to say that as substantially the whole body of bondholders is before the court, the presence of their trustee is wholly unnecessary. Moreover, the enforcement of the Holly Company's specific lien does not involve the validity of the trust-mortgage, nor affect its standing as respects the principal mortgaged thing, the controversy relating to a mere incidental matter. Again, as the joinder of the trust company might oust the jurisdiction of the court, the omission to make it a party defendant is fully warranted by equity rule 47.

That equity jurisdiction to enforce liens, whether upon real or personal property, is clear. 2 *Story Eq. Jur.*, section 1216; 1 *White & T. Leading Cases in Eq.*, 1108, note to *Endee* vs. *Rutter*. In *Schotsman* vs. *L. & Y. Railway Co.*, 2 Chan. App., L. R., 332, it was declared that a bill in equity will lie to enforce the claim for the price of goods of a vendor who by the exercise of his right of stoppage *in transitu* had reinvested himself with the legal title. Lord Cairns there said (p. 340): "I should be prepared to hold this to be a case entirely within the province of this court, and depending on the ordinary principles which regulate in equity the relations of mortgagor and mortgagee, whether of real or personal property, although, for obvious reasons, cases of this kind are more generally and more conveniently brought into a court of law." It will be remembered that in *Gregory* vs. *Morris*, *supra*, Chief Justice
(884) Waite observed that the contract there created a charge | upon the cattle for the purchase-money in the nature of a mortgage. In Fletcher *vs.* Morey, 2 Storey C. C. Rep., 555, 565, Judge Story said, "In equity there is no difficulty in enforcing a lien or any other equitable claim, constituting a charge *in rem*, not only against real estate, but upon personal estate or upon money in the hands of a third person, whenever the lien or other claim is a matter of agreement against the party himself and his personal representatives, and against every person claiming under him voluntarily, or with notice; * * * for every such agreement for a lien or charge *in rem* constitutes a trust and is accordingly governed by the general doctrine applicable to trusts." We have only to add that this case seems to be peculiarly one for a court of equity in view of the situation of the property, and because the court can grant a reasonable time for the payment of the lien, and, in the event of a sale may prescribe equitable terms.

Upon the whole case, then, we are of the opinion that the contractual lien of the Holly Manufacturing Company upon the pumping-engines here in question is valid and binding, and is enforceable in this suit.

Counsel may prepare and submit the draft of a decree in accordance with the views expressed in this opinion.

(Indorsed.)

No. 3. October Sessions, 1888. In equity. The Holly Manufacturing Company *et al. vs.* The New Chester Water Company *et al.* Opinion. Acheson, Cir. J. Filed September 19th, 1891.

DECREE.

(885)

THE HOLLY MANUFACTURING COMPANY *et al vs.* THE NEW CHESTER WATER COMPANY *et al.*

And now this 12th day of October, 1891, the above case having been heard upon bill, answer and proofs, and the Court being fully advised in the premises, *it is ordered, adjudged and decreed* as follows:

That the said The Holly Manufacturing Company are entitled to hold and maintain their lien as reserved by their contract dated the 3d day of August, 1887, upon the pumping engines and their appliances and connections, referred to and described in the bill filed in this case and placed at Chester, Pennsylvania, and that none of the parties defendant have acquired any right or equity into or against such engines, in conflict with the rights of the said plaintiff, The Holly Manufacturing Co., as reserved to them by said contract.

It is further ordered, adjudged and decreed that there is due to the said The Holly Manufacturing Co. the sum of $41,667, the balance of purchase money due upon said engines and remaining unpaid, with interest thereon from the 11th day of August, 1888.

It is further ordered, adjudged and decreed that unless the defendants or some of them shall, on or before the 23d day of November, 1891, pay to the said plaintiffs the said The Holly Manufacturing Company the said amounts | so found due to them as aforesaid, that then and in that (886) event Frank P. Prichard, Esq., be and hereby is appointed as Master, hereby is directed to expose the said engines and their appliances and connections for sale at public sale and vendue, at the place where the same are now in operation, at the works of the said defendants The New Chester Water Company, and to sell the same to the highest and best bidder, without reserve, first giving at least three weeks notice of such sale by advertising the same once a week for three successive weeks in one newspaper published in the city of Philadelphia, and one in the city of Chester, and shall report and return the same and bring the proceeds thereof into this Court.

And it is ordered, adjudged and decreed that the purchaser or purchasers at such sale shall take full, perfect and absolute title in and to the said engines, their appliances and connections, free and discharged of

all claims, rights, trusts or equities, on the part or on behalf of any of the parties to, this action or any other persons whatsoever, claiming under them or either of them or otherwise howsoever. And the said Master shall execute a proper bill of sale or instrument of transfer of the said engines, their appliances and connections, to the said purchasers, so as to vest in them full and perfect title thereto, as aforesaid, and shall deliver to said purchaser or purchasers possession of said engines, their
(887) appliances and connections upon the completion of the payment therefor, and the said purchaser or purchasers shall be empowered and entitled to take down and apart, and remove the said engines from the premises whereon the same are now erected, under the direction and supervision of the said Master, without let or hindrance from, or on behalf of the said defendants or any of them. The said Master, however, so directing the said removal, that the same shall be accomplished with as little injury to the premises as practicable, the expenses of removal to be paid by the purchaser. The said Master is authorized to make the said sale of the said engines, either as an entirety or separately, as in his discretion may be calculated to produce the highest price for the same. *And it is further ordered, adjudged and decreed that the* plaintiffs recover costs against all the defendants. *And it is further ordered* that in so far as the plaintiffs by their bill of complaint have sought to establish an individual liability against R. D. Wood & Company, the plaintiffs have failed to establish such liability, and that, as to R. D. Wood & Company upon this aspect of the case, the bill be dismissed.

And it is further ordered that the cause be referred to Frank P. Pritchard, Esq., as Master, to apportion the costs between the plaintiffs and defendants, in accordance with the equities of the parties as established by this decree.

Endorsed: No. 3, Oct. Sess., 1888, Circuit Court of the United States, Eastern District of Pennsylvania. Holly Manufacturing Company *et al vs.* New Chester Water Company *et al.* Decree filed October 12, 1891.

SAMUEL BELL, *Clerk.*

(888) And afterwards, to wit, on the 10th day of November, A. D. 1891, the defendants, The New Chester Water Company, The South Chester Water Company, Richard Wood, George Wood, Walter Wood and Stuart Wood, trading as R. D. Wood & Company, comes into Court here and prays an appeal from the Decree of this Court entered October 12, 1891, to the Circuit Court of Appeals for the Third Circuit in the words and figures following, to wit:

IN THE CIRCUIT COURT OF THE UNITED STATES FOR (889)
THE EASTERN DISTRICT OF PENNSYLVANIA.

October Sessions 1888. No. 3.

IN EQUITY.

THE HOLLY MANUFACTURING COMPANY and SAMUEL R. BULLOCK and WILLIAM S. MERCER, copartners, trading as SAMUEL R. BULLOCK AND COMPANY, all of whom are citizens of the State of New York, *Complaints.*

vs.

THE NEW CHESTER WATER COMPANY; THE SOUTH CHESTER WATER COMPANY; WILLIAM G. HOPPER and HARRY S. HOPPER, trading as WILLIAM G. HOPPER AND COMPANY; RICHARD WOOD, GEORGE WOOD, WALTER WOOD and STUART WOOD, trading as R. D. WOOD AND COMPANY; and WILLIAM BUCKNELL, allof whom are citizens of the State of Pennsylvania, and the BIENVILLE WATER SUPPLY COMPANY, a citizen of the State of Alabama. *Defendants.*

The petition of the New Chester Water Company, the South Chester Water Company, Richard Wood, George Wood, Walter Wood and Stuart Wood, trading as R. D. Wood and Company, respectfully shows:—

First.—That on the 12th day of October, 1891, a decree was entered by the Circuit Court of the United States for the Eastern District of Pennsylvania in the above entitled cause, whereby your petitioners are aggrieved and your petitioners herewith file an assignment of errors, setting out separately and particularly each error which your petitioners assign in said decree and proceeding. Wherefore in accordance with the statutes in such case made and provided your petitioners pray, that an appeal | be granted from said decree to the said United States Circuit (890)
Court of Appeals for the Third Circuit.

And they will ever pray.

NEW CHESTER WATER WORKS CO.

WALTER WOOD, Treas.

R. D. WOOD & Co.

Endorsed—3 Oct. Sess. 1888 U. S. C. In Equity Holly Mfg. Co. *vs.* New Chester Water Co. Petition for allowance of appeal to Circuit Ct. of Appeals, Filed Nov. 10, 1891. Samuel Bell, Clerk. R. C. Dale, S. C. Dickson, W. Ward.

And afterwards, to wit, on the day and year aforesaid the Court makes the following order, to wit:

And now, to wit, November 10th, 1891, it was ordered that the appeal be allowed as prayed for and Respondents be required to give bond in the sum of twenty thousand dollars to secure the costs upon said appeal.

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(891) UNITED STATES CIRCUIT COURT, EASTERN DISTRICT OF PENNSYLVANIA.

IN EQUITY.

HOLLY MANUFACTURING COMPANY, et al.
vs.
NEW CHESTER WATER COMPANY, et al.

October Sessions, 1886.

No. 3.

ASSIGNMENTS OF ERROR.

First.—The learned court erred in holding that "Upon the whole case, then, we are of the opinion that the contractual lien of the Holly Manufacturing Company upon the pumping-engines here in question is valid and binding, and is enforceable in this suit."

Second.—The learned court erred in holding that Samual R. Bullock and William S. Mercer, trading as Samuel R. Bullock & C., were not necessary parties defendant to the cause.

Third.—The learned court erred in holding: "So far as the bill seeks to enforce the Holly Company's lien, it is manifest that there is no dispute between the company and Bullock & Co. Samuel R. Bullock, indeed, was one of the principal witnesses in the case on behalf of the Holly Company to establish its lien, and hence a decree in its favor would conclude him and his firm, if there was any open question on that subject effecting them. But there is no such open question. The Holly Company is not seeking any relief and needs no decree against Bullock & Co. It is urged, indeed, that that company is proceeding as for a foreclosure without its making debtor, who is the owner of the property, a party
(892) defendant. But | this is a mistaken view. The ownership of the engines is not in Bullock & Co., and, in truth, was never intended to be in them, for in the purchase they acted in the interest and behalf of the New Chester Water Company. But there can be no longer any pretense of

ownership in Bullock & Co., for Samuel R. Bullock, by his deed, has conveyed the title to the real estate to the water company. It is laid down in *Jones on Mortgages*, volume 2, section 1404, that in an equitable suit for foreclosure, the mortgagor, after he has conveyed the whole of the premises mortgaged, is not a necessary party to the suit. Moreover, Bullock & Co. have assigned all their interest in the bonds and stock of the water company to Wood & Co. Therefore they have no longer any interest, near or remote in this particular controversy. They are altogether formal parties, whose presence does not oust the jurisdiction of the court, coming within the rule laid down in *Wormley* vs. *Wormley*, 7 Wheat, 451, where the applied test was whether a decree was sought against the party. Here the Holly Company seeks to enforce a charge *in rem*, and Bullock & Co. have neither title to nor interest in the thing."

Fourth.—The learned court erred in holding that the Farmers' Loan and Trust Company was not a necessary party defendant to the cause.

Fifth.—The learned court erred in saying to the objection that the Farmers' Loan and Trust Company is not joined as a defendant in this suit: "It is sufficient to say, that as substantially the whole body of bondholders is before the court, the presence of their trustee is wholly unnecessary. Moreover, the enforcement of the Holly Company specific lien does not involve the validity of the trust-mortgage, nor effect its standing as respects the principal mortgaged thing, the controversy relating to a mere incidental matter. Again, as the joinder of the trust company might oust the jurisdiction of the court, the omission to make it a party defendant is fully warranted by equity rule 47."

Sixth.—The learned court erred in holding: "But, in truth, with (893) respect to this transaction, the distinction between Bullock & Co. and the water company is purely formal and fictitious. Bullock & Co. *were* the water company in everything but name. They really held the entire capital stock. Now, no court has ever yet decided that an incorporated company in this artificial capacity can be deemed to be ignorant of a matter effecting the company which is known to every individual stockholder. In our judgment, to treat the water company as a *bona fide* purchaser or possessor of the engines without notice of the contractual lien of the Holly Company would be unreasonable and unjust. The water company cannot honestly retain the engines without paying the balance of the purchase price."

Seventh.—The learned court erred in holding that the contractual lien of the Holly Manufacturing Company was effective after the pumping engines had been delivered and put into operation upon the property of another.

Eighth.—The learned court erred in holding that the lien of the mortgage made by the New Chester Water Company to the Farmers' Loan and Trust Company of New York, dated April 1st, 1887, did not attach to the pumping-engines when they were placed upon the mortgaged premises.

Ninth.—The learned court erred in directing a sale of the pumping engines upon which complainant asserted a lien without the prior entry of a decree *in personam* against Samuel R. Bullock & Co., who, by undisputed evidence in the cause, were primarily liable to the Holly Manufacturing Company for the debt, to secure payment of which the sale is ordered.

RICHARD C. DALE,
SAMUEL DICKSON,
WILLIAM WARD,
For Appellants.

Filed November 10 1891.
SAMUEL BELL,
Clerk, &c.

(894) *Bond.*

Know all men by these present: That we, the New Chester Water Company, Richard Wood, George Wood, Walter Wood and Stuart Wood, co-partners, trading as R. D. Wood & Company as principles, and the American Surety Company as surety, are held and firmly bound unto the Holly Manufacturing Company in the full and just sum of twenty thousand dollars, with interest from date to be paid to the Holly Manufacturing Company, its certain attorneys, adminstrators or assigns, to which payment well and truly to be made we bind ourselves, our heirs, executors and administrators, jointly and severally by these presents.

Sealed with our seals and dated this twenty-first day of November, in the year of our Lord, one thousand eight hundred and ninety-one.

WHEREAS, lately at a Circuit Court of the United States for the Eastern District of Pennsylvania, in a suit therein depending, as of October Sessions, 1888, No. 3. In Equity in which the Holly Manufacturing Company and others are plaintiffs, and the New Chester Water Company and others are defendants, a decree was entered on the 12th day of October, 1891, and:

WHEREAS, the New Chester Water Company and Richard Wood, George Wood, Walter Wood and Stuart Wood, co-partners, trading as R. D. Wood and Company, have presented to the said Court, their petition for the allowance of an appeal from said decree to the Supreme Court of the United States, and said appeal has been allowed, and:

(895) WHEREAS, the said New Chester Water Company and Richard Wood, George Wood, Walter Wood and Stuart Wood, co-partners, trading as R. D. Wood & Company, have presented to the said Court their petition for the allowance of an appeal from said decree to the Circuit Court of Appeals for the Third Circuit, and said appeal has been allowed.

NOW THE CONDITION OF THE ABOVE OBLIGATION IS SUCH: That if the said New Chester Water Company and Richard Wood, George Wood, Walter Wood and Stuart Wood, co-partners, trading as R. D. Wood & Company, shall prosecute their said appeals to effect, and answer all

damages and costs, if they shall fail to make their claims good, then the above obligation shall be void, else to remain in full force and virtues. Provided that if the appellants should finally prevail in either of said appeals, the amount to be recovered on this bond in the other appeal shall be limited to costs.

Sealed and delivered
in the presence of
THOMAS L. MARTIN,
THOMAS S. JUSTUS.

RICHARD WOOD, [SEAL.]
GEORGE WOOD, [SEAL.]
WALTER WOOD, [SEAL.]
STUART WOOD, by [SEAL.]
WALTER WOOD.
trading as R. D. WOOD & CO.

WALTER WOOD, *Treasurer*
NEW CHESTER WATER CO.

Attest:
WM. H. MILLER,
Secretary.
[Corporate Seal.]

AMERICAN SURETY COMPANY,
By JOHN W. HAMPTON,
Vice-President, P. T.

Attest:
STEPHEN WHITE,
Assistant Secretary.
[Corporate Seal.]

November 23, 1891, the Surety is approved, Wm. Butler.

Endorsed: No. 3. October Session, 1888. U. S. Circuit Court. The Holly Mfg. Co. *vs.* The New Chester Water Co. Bond.

Filed November 23, 1891.

SAMUEL BELL,
Clerk.

UNITED STATES OF AMERICA, *ss.* (896)

THE PRESIDENT OF THE UNITED STATES,

To The Holly Manufacturing Company, *Greeting:*

You are cited and admonished to be and appear at a United States Circuit Court of Appeals for the Third Circuit, to be holden at the City of Philadelphia within thirty days, persuant to appeal, filed in the clerk's

office of the Circuit Court of the United States in and for the Eastern District of Philadelphia, wherein the New Chester Water Company, Richard Wood, George Wood, Walter Wood and Stuart Wood, co-partners, trading as R. D. Wood & Company, appellants, and you are appellee, to show cause, if any there be, why the decree rendered against the said appellants as in the said appeal mentioned, should not be corrected, and why speedy justice should not be done to the parties in that behalf.

Witness, the Honorable William Butler, *District Judge*, holding Circuit Court of the United States this second day of December, in the year of our Lord one thousand eight hundred and ninety-one.

WM. BUTLER, *J.*

(897) I hereby accept service of the within citation for the Holly Manufactcring Co., appellee. December 2, 1891.

ROWLAND EVANS,
R. L. ASHHURST,
G. W. BOWEN,
Attorneys for Holly Manufacturing Company, Appellee.

UNITED STATES OF AMERICA,
EASTERN DISTRICT OF PENNSYLVANIA. } *st.*

I, SAMUEL BELL, Clerk of the Circuit Court of the United States of America, for the Eastern District of Pennsylvania, in the Third Circuit, do hereby certify the foregoing to be a true and faithful copy of the original pleas and proceedings in the case of The Holly Manufacturing Company, *et al.*, *vs.* The New Chester Water Company, *et al.* No. 3. October Session, 1888, on file, and now remaining among the records of the said Court, in my office.

In testimony whereof, I have hereunto subscribed my name and affixed the seal of the said Court, at Philadelphia, this 20th day of January in the year of our Lord one thousand eighth hundred and ninety-two, and the independence of the United States the one hundred and sixteenth.

[SEAL.] SAMUEL BELL,
Clerk of C. C.

149 U S 782

No. 255 October Term, 1892.

Office Supreme Court U. S.
FILED.
DEC 5 1892
JAMES H. McKENNEY,
CLERK.

IN THE

Supreme Court of the United States.

Ex parte the New Chester Water Company, the South Chester Water Company, Richard Wood, George Wood, Walter Wood, and Stuart Wood, trading as R. D. Wood & Co.

Petition for writ of *certiorari* requiring the Circuit Court of Appeals for the Third Circuit to certify to the Supreme Court for its revision and determination the Appeal of the New Chester Water Company, the South Chester Water Company, Richard Wood, George Wood, Walter Wood, and Stuart Wood, trading as R. D. Wood & Co., appellants, against the Holly Manufacturing Company, and Samuel R. Bullock and William S. Mercer, copartners, trading as Samuel R. Bullock & Co.

RICHARD C. DALE,
SAMUEL DICKSON,
For the Petitioners.

Allen, Lane & Scott, Prs., Phila.

In the Supreme Court of the United States.

October Term, 1892. No. . .

Ex parte *the New Chester Water Company, the South Chester Water Company, Richard Wood, George Wood, Walter Wood, and Stuart Wood, trading as R. D. Wood & Co.*

Petition for writ of *certiorari* requiring the Circuit Court of Appeals for the Third Circuit to certify to the Supreme Court for its revision and determination the appeal of the New Chester Water Company, the South Chester Water Company, Richard Wood, George Wood, Walter Wood, and Stuart Wood, trading as R. D. Wood & Co., appellants, against the Holly Manufacturing Company, and Samuel R. Bullock and William S. Mercer, copartners, trading as Samuel R. Bullock & Co.

To the Honorable the Supreme Court of the United States:

The petition of the New Chester Water Company, the South Chester Water Company, Richard Wood, George Wood, Walter Wood, and Stuart Wood, trading as R. D. Wood & Co., would respectfully represent to the court that a bill in equity, filed September 22d, 1888, in the Circuit Court of the United States for the Eastern District of Pennsylvania, by the Holly Manufacturing Company, a corporation organized under the laws of the State of New York, and a citizen of

said State, against the New Chester Water Company and the South Chester Water Company, corporations organized under the laws of the State of Pennsylvania, and citizens of said State; William G. Hopper and Harry S. Hopper, citizens of the State of Pennsylvania, trading under the name of William G. Hopper & Co.; William Bucknell, a citizen of the State of Pennsylvania; Richard Wood, George Wood, Walter Wood, and Stuart Wood, citizens of the State of Pennsylvania, trading under the firm name of R. D. Wood & Co.; and the Bienville Water Supply Company, a corporation existing under the laws of the State of Alabama, and a citizen thereof.

In the bill, it was averred that on March 21st, 1887, the New Chester Water Company made a contract with Samuel R. Bullock and William S. Mercer, citizens of the State of New York, doing business under the name of Samuel R. Bullock & Co., to construct, ready for operation, a complete system of water-works, and, as part of said system, to erect and construct an engine and pump house, and to place therein the necessary pumping machinery, and did agree to pay Samuel R. Bullock & Co. a certain sum in the bonds of the New Chester Water Company and in the shares of its capital stock, which said bonds and shares were all delivered to Samuel R. Bullock & Co. in anticipation of the performance of the contract. That for the purpose of carrying out the contract between the Water company and Samuel R. Bullock & Co., Samuel R. Bullock & Co. made a contract in writing with the Holly Manufacturing Company to manufacture and set up in working order, at the pump-house of the water company, two pumping-engines, for which Samuel R. Bullock & Co. did agree to pay the Holly Manufacturing Company the sum of $50,000. In the contract between Samuel R. Bullock & Co. and the Holly Manufacturing Company, it was, *inter alia*, provided that the Holly Manufacturing Company shall have a lien on all of said engines and connections, and that the Holly Company may remain in and have full possession thereof until the whole amount of the purchase-price of said engines and connections shall have been fully paid to the Holly Com-

pany. That the Holly Company constructed and erected said pumping-engines in accordance with contract, and the same were accepted by said Samuel R. Bullock & Co. That Samuel R. Bullock & Co. have only paid to the Holly Company $8333.33 on account of the purchase-price, and there remains due and owing to the Holly Company the sum of $41,667, with interest from August 11th, 1888. That after the making of said contract with the Holly Company, Samuel R. Bullock & Co., for the purpose of raising money to carry on the work, pledged the bonds and shares of the water company to William G. Hopper & Co., and thereafter, subject to said pledge to William G. Hopper & Co., did pledge said bonds and shares to R. D. Wood & Co. to secure the price of materials to be furnished and money supplied towards the completion of the said water-works. The complainant in the bill filed, having averred, in substance, the facts as above stated, prayed a decree establishing a lien in favor of the Holly Manufacturing Company free from and superior to any and all liens and claims of any other parties upon the said pumping-engines, and further, that the defendants in this cause may be decreed to pay to the Holly Company the amount ascertained to be due for said pumps, at a short day, and that in default thereof the defendants be absolutely foreclosed of all right in equity of redemption in the same.

To the bill as filed the defendants demurred, upon the ground of the non-joinder, as parties in the cause, of Samuel R. Bullock and William S. Mercer, trading as Samuel R. Bullock & Co., whereupon the said Samuel R. Bullock & Co. were brought upon the record by an amendment which set forth that they joined as parties plaintiff—

> "Not as seeking any special or distinct relief in the premises in this proceeding, but in affirmance of the rights of their coplaintiff, the Holly Manufacturing Company, and in order to invest the court with full jurisdiction in the premises so that a complete decree protecting the rights of all parties can be made."

Thereupon the defendants answered, *inter alia*, suggesting that the principal controversy in the cause was between the complainant, the Holly Manufacturing Company, and Samuel

R. Bullock and William S. Mercer, trading as Samuel R. Bullock & Co., all of whom were citizens of the State of New York, and that therfore the court was without jurisdiction in the premises.

Proofs were taken in which it appeared, *inter alia*, that on November 9th, 1888, after the filing of the bill, Bullock & Co. had assigned their interest in the bonds and stock of the water companies to the defendants, R. D. Wood & Co., and also on the same day assigned to one Thomas A. Perot, in trust for R. D. Wood & Co., the contract between Bullock & Co. and the water companies, and all Bullock & Co.'s rights and interest thereunder, and that these assignments, although upon the face of the writing absolute, were in fact as collateral security for S. R. Bullock & Co's indebtedness to R. D. Wood & Co. Complainant also filed a supplemental bill averring these assignments, and also that the claim of the plaintiffs against Bullock & Co. had been duly liquidated by a judgment confessed by Bullock & Co., and entered in the Court of Common Pleas, No. 4, on the 26th of November, 1888, for $67,-811.44, September Term, 1888, No. 832.

It also appeared that the title to the piece of land upon which the pumping-engines were erected had been in Samuel R. Bullock prior to July 12th, 1887, who on that day had conveyed it to H. S. Hopper, who on July 29th, 1887, executed an instrument in writing setting forth that the conveyance to him was as security for the advances made by Hopper & Co. to S. R. Bullock & Co. On March 31st, 1890, while this suit was pending, Samuel R. Bullock & Co., who up to that time held the equitable title to the land upon which the engine-house and pumping-engines stand, executed a deed of conveyance for the land to the New Chester Water Company.

Samuel R. Bullock & Co. received from the New Chester Water Company in advance of completion, but under regular certificates from its officers, the bonds and stock which were to be the full contract price of the work to be done under the contract of March 21st, 1887, but left the work incomplete. The New Chester Water Company did not accept the work,

but about November 18th, 1888, it was turned over to and received by their employés from those of Bullock & Co., and it appeared that in addition to failing to pay the Holly Manufacturing Company the price of the pumping-engines, as before stated, other work to be done under the contract was left undone by Samuel R. Bullock & Co.

The Circuit Court held that Samuel R. Bullock and William S. Mercer, trading as Samuel R. Bullock & Co., were not necessary parties to the proceedings for the enforcement of the lien reserved by the Holly Manufacturing Company in its contract as above stated, and that even if they had been necessary their joinder as plaintiffs was sufficient, and entered a decree in words following:—

"And now, this twelfth day of October, 1891, the above case having been heard upon bill, answer, and proofs, and the court being fully advised in the premises, it is ordered, adjudged, and decreed as follows:—

"That the said The Holly Manufacturing Company are entitled to hold and maintain their lien as reserved by their contract, dated the third day of August, 1887, upon the pumping-engines and their appliances and connections, referred to and described in the bill filed in this case and placed at Chester, Pennsylvania, and that none of the parties defendant have acquired any right or equity in, to, or against such engines in conflict with the rights of the said plaintiff, the Holly Manufacturing Company, as reserved to them by said contract.

"It is further ordered, adjudged, and decreed that there is due to the said The Holly Manufacturing Company the sum of $41,667, the balance of purchase-money due upon said engines and remaining unpaid, with interest thereon from the eleventh day of August, 1888.

"It is further ordered, adjudged, and decreed that unless the defendants, or some of them, shall, on or before the 23d day of November, 1891, pay to the said plaintiffs, the said The Holly Manufacturing Company, the said amounts so found due to them as aforesaid, that then and in that event Frank P. Prichard, Esq., be and hereby is appointed as Master;

hereby is directed to expose the said engines and their appliances and connections for sale at public sale and vendue at the place where the same are now in operation, at the works of the said defendants, the New Chester Water Company, and to sell the same to the highest and best bidder, without reserve, first giving at least three weeks' notice of such sale by advertising the same once a week for three successive weeks in one newspaper published in the city of Philadelphia, and one in the city of Chester, and shall report and return the same and bring the proceeds thereof into this court.

"And it is ordered, adjudged, and decreed that the purchaser or purchasers at such sale shall take full, perfect, and absolute title in and to the said engines, their appliances and connections, free and discharged of all claims, rights, trusts, or equities on the part or on behalf of any of the parties to this action or any other persons whatsoever claiming under them, or either of them, or otherwise howsoever. And the said Master shall execute a proper bill of sale or instrument of transfer of the said engines, their appliances and connections, to the said purchasers, so as to vest in them full and perfect title thereto as aforesaid, and shall deliver to said purchaser or purchasers possession of said engines, their appliances and connections, upon the completion of the payment therefor, and the said purchaser or purchasers shall be empowered and entitled to take down and apart and remove the said engines from the premises whereon the same are now erected, under the direction and supervision of the said Master, without let or hindrance from or on behalf of the said defendants or any of them. The said Master, however, so directing the said removal that the same shall be accomplished with as little injury to the premises as practicable, the expenses of removal to be paid by the purchaser. The said Master is authorized to make the said sale of the said engines, either as an entirety or separately, as in his discretion may be calculated to produce the highest price for the same.

"And it is further ordered, adjudged, and decreed that the plaintiffs recover costs against all the defendants.

"And it is further ordered that in so far as the plaintiffs by

their bill of complaint have sought to establish an individual liability against R. D. Wood & Co., the plaintiffs have failed to establish such liability, and that as to R. D. Wood & Co., upon this aspect of the case, the bill be dismissed.

"And it is further ordered that the cause be referred to Frank P. Prichard, Esq., as Master, to apportion the costs between the plaintiffs and defendants, in accordance with the equities of the parties as established by this decree."

From the decree thus entered the defendants appealed to the Circuit Court of Appeals for the Third Circuit, but the Circuit Court of Appeals, in an opinion hereto attached, sustained the jurisdiction, notwithstanding the fact that the Holly Manufacturing Company, and Samuel R. Bullock and William S. Mercer, trading as S. R. Bullock & Co., were all citizens of the State of New York, and overruling the second and third assignments of error filed by the appellants, under which it was contended that Samuel R. Bullock and William S. Mercer, trading as S. R. Bullock & Co., were necessary parties defendant to the cause.

Your petitioners file herewith, as required by rule 37, a certified copy of the entire record of the case in the Circuit Court of Appeals, and respectfully show to your Honorable Court that the questions involved relating to the jurisdiction of the Circuit Court of the United States for the Eastern District of Pennsylvania to entertain jurisdiction of the cause are of such gravity and importance as to justify to your Honorable Court an application to require the record of said proceedings to be certified to the Supreme Court for its review and determination.

THE NEW CHESTER WATER COMPANY,
THE SOUTH CHESTER WATER COMPANY,
R. D. WOOD & CO.,

By

RICHARD C. DALE,
SAMUEL DICKSON,
Solicitors for the Petitioners.

UNITED STATES OF AMERICA,
EASTERN DISTRICT OF PENNSYLVANIA, } ss.

This day personally appeared before me, , a United States Commissioner for the Eastern District of Pennsylvania, Walter Wood, one of the defendants below, and appellants in the Circuit Court of Appeals for the Third Circuit in the hereinbefore entitled cause, and, having been duly affirmed, did depose and say that he has read the foregoing petition, and that the facts therein stated are true to the best of his knowledge, information, and belief.

Affirmed and subscribed before me, this day of November, 1892.

Brief of Argument in Support of Application for Certiorari.

In presenting this application counsel are not unmindful of the principles upon which such applications are granted. As said by Mr. Chief Justice Fuller, *in re* Lau Ow. Bew., 141 U. S., 583:—

> "It is evident that it is solely questions of gravity and importance that the Circuit Courts of Appeals should certify to us for instruction, and that it is only when such questions are involved that the power of this court to require a case in which the judgment and decree of the Court of Appeals is made final can be properly invoked. The inquiry upon this application, therefore, is whether the matter is of sufficient importance in itself and sufficiently open to controversy to make it the duty of this court to issue the writ applied for, in order that the case may be reviewed and determined as if brought here on appeal or writ of error."

We therefore recognize that we must show—

A. That the matter is of sufficient importance in itself to occupy the attention of this court.

B. That the question involved is open to controversy.

A. The question being one of Federal jurisdiction is grave and important, not only in its abstract relations, but because of its general application to proceedings in all the Federal courts.

This was recognized by Congress in enacting the Act of March 3d, 1891, providing for the Circuit Courts of Appeals, where in section 5 it was provided:—

> "That appeals or writs of error may be taken from the district courts or from the existing circuit courts direct to the Supreme Court in the following cases: In any case in which the jurisdiction of the court is in issue, in such cases the question of jurisdiction alone shall be certified to the Supreme Court from the court below for decision."

This statutory provision is a legislative recognition that a question of Federal jurisdiction is of gravity and importance. The reason is plain. The line of demarcation between Federal and State jurisdiction involves constitutional relations, the determination of which have always been regarded as the prerogative of the supreme tribunal. Furthermore, these jur-

isdictional questions are of universal application, not limited or varied by the statute or common law of any State, and must be identical in all the circuits. They are thus distinguishable from the questions presented *in re* Woods, 143 U. S., 202, which were local in their relations or limited in application:— Mr. Chief Justice Fuller saying:—

> "But we do not regard the inquiry as to whether it was settled law in the State of Minnesota that a judgment of dismissal in a former suit, such as pleaded here, was not a bar to a second suit upon the same cause of action, or whether the law in respect of recovery by a servant against his master for injuries received in the course of his employment was properly applied on the trial of this case, as falling within the category of questions of such gravity and general importance as to require the review of the conclusions of the Circuit Court of Appeals into them."

Under the Act of March 3d, 1891, an appeal might have been taken directly to this court upon the question of jurisdiction, but under McLish *vs.* Roff, 141 U. S., 661, the prosecution of such appeal would have barred the parties from prosecuting an appeal to the Circuit Court of Appeals upon the general questions raised in the case. While these questions upon the merits may not be of the gravity and general importance to justify the interference of this court for their review and determination, an inspection of the record shows they were of a character to justify the parties submitting them to the Circuit Court of Appeals; and it will not be suggested that this court, in making the decision in McLish *vs.* Roff, *supra*, which was in aid of orderly procedure, thereby intended to abrogate the power of reviewing questions of Federal jurisdiction, unless parties, as a condition of securing the judgment of this court upon such question, waived their right of having the decree of the Circuit Court reviewed upon the merits by the tribunal organized under the statute for that purpose.

We therefore submit that this application comes before the court with a statutory declaration that the question of the jurisdiction of the Circuit Court to hear the cause is of gravity and general importance.

B. The particular question decided in the court below adversely to the contention of the petitioners is sufficiently open to controversey to make it the duty of the court to review the decision.

The question may be stated briefly as follows:—

Had the Circuit Court of the United States for the Eastern District of Pennsylvania jurisdiction to entertain a bill filed by the Holly Manufacturing Company, a citizen of the State of New York, to enforce a contractual lien for purchase-money reserved in a contract made between the Holly Manufacturing Company and Samuel R. Bullock and William S. Mercer, also citizens of the State of New York, trading as S. R. Bullock & Co., as against the defendants named in the bill—the New Chester and South Chester Water Companies—for the construction of whose works S. R. Bullock & Co. were the contractors, and W. G. Hopper & Co., William Bucknell, and R. D. Wood & Co. holders of bonds and shares of stock in the water companies as collateral for loans made to S. R. Bullock & Co. to provide the contractor with means to construct the work, all the defendants named being citizens of the State of Pennsylvania?

To the bill as originally filed the defendants demurred, upon the ground of the non-joinder, as parties in the cause, of Samuel R. Bullock and William S. Mercer, trading as Samuel R. Bullock & Co., whereupon the said Samuel R. Bullock & Co. were brought upon the record by an amendment which set forth that they joined as parties plaintiff—

"Not as seeking any special or distinct relief in the premises in this proceeding, but in affirmance of the rights of their coplaintiff, the Holly Manufacturing Company, and in order to invest the court with full jurisdiction in the premises so that a complete decree protecting the rights of all parties can be made."

Thereupon the defendants answered, *inter alia*, suggesting that the principal controversy in the cause was between the complainant, the Holly Manufacturing Company, and Samuel R. Bullock and William S. Mercer, trading as Samuel R. Bullock & Co., all of whom were citizens of the State of New York, and that, therefore, the court was without jurisdiction in the premises.

The question thus is fairly presented, can a mortgagee maintain a bill to establish its debt and obtain a decree in equity for its payment, and in default of payment, for a foreclosure of the rights of the debtor of parties, claiming under him, without making the debtor, who is primarily responsible for the payment of the debt, a party defendant?

The leading case defining who are necessary parties is Shields *vs.* Barrow, 17 Howard, 139.

In that case a vendor, citizen of Louisiana, sold an estate in Louisiana for a large sum of money, and received payment from time to time for nearly one-half of the amount. Afterwards he agreed to take back the property upon the payment of an additional sum of money, which was secured to him by the promissory notes of six individuals, four of whom lived in Louisiana and two in Mississippi. Becoming dissatisfied with this arrangement, the vendor filed a bill in the Circuit Court of the United States for Louisiana against the two citizens of Mississippi to set aside the agreement as having been improperly procured and to restore him to his rights under the original sale. The four parties to the compromise who resided in Louisiana, not being suable in the Circuit Court of that State, and their presence as defendants being necessary, the court would not rescind the contract as to two and allow it to stand as to the other four; consequently being without jurisdiction it could not pass a decree as prayed.

Mr. Justice Curtis delivered the opinion, as follows:—

"Such being the scope of the bill and its parties, it is perfectly clear that the Circuit Court of the United States for Louisiana could not make any decree thereon. The contract of compromise was one entire subject, and from its nature could not be rescinded, so far as respected two of the parties to it, and allowed to stand as to the others. Thomas R. Shields, the principal, and four out of six of his indorsers, being citizens of Louisiana, could not be made defendants in this suit, yet each of them was an indispensable party to a bill for the rescission of the contract. Neither the Act of Congress of February 28th, 1839 (5 Stat. at Large, 321, 1), nor the forty-seventh rule for the equity practice of the Circuit Courts of the United States, enables a Circuit Court to make a decree in equity in the absence of an indispensable party, whose rights must be necessarily affected by such decree.

"In Russell *vs.* Clarke's Executors, 7 Cranch, 91, this court said: 'The incapacity imposed on the circuit court to proceed against any person re-

siding within the United States, but not within the district for which the court may be holden, would certainly justify them in dispensing with parties merely formal. Perhaps in cases where the real merits of the cause may be determined without essentially affecting the interests of absent parties, it may be the duty of the court to decree, as between the parties before them. But in this case the assignees of Robert Murray & Co. are so essential to the merits of the question, and may be so much affected by the decree, that the court cannot proceed to a final decision of the cause till they are parties.'

"The court here points out three classes of parties to a bill in equity. They are: 1. Formal parties. 2. Persons having an interest in the controversy, and who ought to be made parties in order that the court may act on that rule which requires it to decide on and finally determine the entire controversy, and do complete justice, by adjusting all the rights involved in it. These persons are commonly termed necessary parties, but if their interests are separate from those of the parties before the court, so that the court can proceed to a decree, and do complete and final justice, without affecting other persons not before the court, the latter are not indispensable parties. 3. Persons who not only have an interest in the controversy, but an interest of such a nature that a final decree cannot be made without either affecting that interest, or leaving the controversy in such a condition that its final termination may be wholly inconsistent with equity and good conscience.

"A bill to rescind a contract affords an example of this kind. For, if only a part of those interested in the contract are before the court, a decree of rescission must either destroy the rights of those who are absent, or leave the contract in full force as respects them; while it is set aside, and the contracting parties restored to their former condition, as to the others. We do not say that no case can arise in which this may be done, but it must be a case in which the rights of those before the court are completely separable from the rights of those absent, otherwise the latter are indispensable parties.

* * * * * * * * *

"It remains true, notwithstanding the Act of Congress and the forty-seventh rule, that a Circuit Court can make no decree affecting the rights of an absent person, and can make no decree between the parties before it, which so far involves or depends upon the rights of an absent person, that complete and final justice cannot be done between the parties to the suit without affecting those rights. To use the language of this court in Elmendorf *vs.* Taylor, 19 Wheat., 167: 'If the case may be completely decided upon between the litigant parties, the circumstance that an interest exists in some other person, whom the process of the court cannot reach—as if such party be a resident of another State—ought not to prevent a decree upon its merits.' But if the case cannot be thus completely decided, the court should make no decree.

"We have thought it proper to make these observations upon the effect of the Act of Congress and of the forty-seventh rule of this court, because

they seem to have been misunderstood and misapplied in this case; it being clear that the Circuit Court could make no decree, as between the parties originally before it, so as to do complete and final justice between them without affecting the rights of absent persons, and that the original bill ought to have been dismissed."

The same rule was applied and enforced in Barney *vs.* Baltimore, 6 Wallace, 280.

The pertinency of this rule to the case before the court will be perceived by a simple consideration of the relations of the parties upon the admitted facts.

The Holly Manufacturing Company seeks to enforce its contractual lien against pumps supplied by it to Samuel R. Bullock & Co., general contractors, for the construction of the works of the Chester Water Company. S. R. Bullock & Co. have received from the water company the full contract price for the completion of the works, but fail to make payment to the Holly Company of the price, which is due to them. As between the water company and Bullock & Co. the pumps have been fully paid for, and although the Holly Company had not been paid, the duty of making payment rested with S. R. Bullock & Co. Whatever lien the Holly Company retained against the pumps was collateral to the primary obligation of S. R. Bullock & Co. to make the payment, and no decree in which due regard was paid to the equitable rights of all the parties can be drafted which does not primarily, as between the Holly Company and S. R. Bullock & Co., determine the lien and direct S. R. Bullock & Co. to make payment of the sum found to be due; and only upon the default of the primary debtor to pay the debt for which he remains, as between all the parties, still responsible, can a decree direct a sale of the pumps for which it is admitted the water companies have paid in full.

The court below seems to have been misled by a citation from Jones on Mortgages, volume 2, section 1404, where it is said that "in an equitable suit for foreclosure the mortgagor, after he has conveyed the whole of the mortgaged premises, is not a necessary party to the suit;" but the rule thus broadly stated must be limited to cases where the mortgagor has not

only made a conveyance of the mortgaged premises, but has made it so that the purchaser has taken subject to the mortgage, so that as between mortgagor and purchaser there remains no liability upon the mortgagor to pay the debt. Under these conditions no equitable reason exists for the mortgagor's presence in the suit—no equities are to be settled as against him; but the reason changes when the rights of the purchaser can only be protected by primary decree against the mortgagor.

The court below also seems to have been misled in treating as material the conveyance by Bullock to the water company on March 31st, 1890, of his equitable interest in the real estate upon which the pump was erected.

The bill was filed September 25th, 1888. The jurisdiction of this court depends upon the *status* existent when the bill was filed. Furthermore, this controversy is not concerning the land upon which the pumping-engine rests, but concerning the pumping-engines. The ownership of the land is an irrelevant matter. The same error, of regarding as relevant a matter purely irrelevant, is found in the portion of the opinion where the judge said that Bullock & Co. have assigned all their interest in the bonds and stock of the water company to Wood & Co. While it is true that there is such an assignment in writing (and this was what misled the learned judge), the parol evidence is uncontradicted that the assignment by Bullock & Co. to Wood and Co., of its interest in the stock and bonds of the water companies, was only to secure to Wood & Co. the repayment of advances, and that the ultimate ownership of both stock and bonds was in Bullock & Co.; but this, as we regard it, is an immaterial question.

The petitioners rest their case upon the principles enunciated in Shields *vs.* Barrow, *supra*, that all parties to the contract, whose presence in this suit is necessary in order that a decree may be formulated which will do full justice, must be parties to the litigation.

The correctness of this view was recognized by the Circuit Court at the hearing upon the demurrer to the bill, when the question of jurisdiction and non-joinder was first raised, and

the joinder of S. R. Bullock & Co. as coplaintiffs by way of amendment, in these words :—

22. The said Samuel R. Bullock and William S. Mercer, trading as Samuel R. Bullock & Co., join herein as parties plaintiff, not as seeking any special or distinct relief in the premises in this proceeding, but in affirmance of the rights of their coplaintiffs, the Holly Manufacturing Company, and in order to invest the court with full jurisdiction of the premises, so that a complete decree protecting the rights of all parties can be made—

was, we submit, an unavailing attempt to make a joinder and save the jurisdiction.

This court is not bound to marshal the parties litigant in equity as they name themselves of record, but will marshal them, as in fact they really are, complainants or defendants, according to the established rules of the Court of Chancery.

In the Removal Cases, 100 U. S., 457, at page 468, Mr. Chief Justice Waite stated the rule to be :—

"This we understand to mean that when the controversy about which a suit in the State court is brought is between citizens of one or more States on one side and citizens of other States on the other side, either party to the controversy may remove the suit to the Circuit Court without regard to the position they occupy in the pleadings as plaintiffs or defendants. For the purposes of a removal the matter in dispute may be ascertained, and the parties to the suit arranged on opposite sides of that dispute. If in such arrangement it appears that those on one side are all citizens of different States from those on the other, the suit may be removed. Under the old law the pleadings only were looked at, and the rights of the parties in respect to a removal were determined solely according to the position they occupied as plaintiffs or defendants in the suit. Coal Company *vs.* Blachford, 11 Wall., 174. Under the new law the mere form of the pleadings may be put aside, and the parties placed on different sides of the matter in dispute according to the facts. This being done, when all those on one side desire a removal it may be had if the necessary citizenship exists."

And in Pacific R. R. Co. *vs.* Ketchum, 101 U. S., 298, the same principle was recognized. The fact that Bullock is not an active litigant against the complainant, and that there is no controversy concerning the amount due by Bullock to the Holly Company, does not avoid the necessity of naming and treating Bullock as a party defendant. The relief in the enforcement of this lien is relief primarily to be obtained

against him. He is the primary debtor; he is the party who in the first instance must be decreed in proper chancery practice to pay the debt. In default of such payment it is the right of Bullock which is to be barred and foreclosed, and the owners of the property, which is surety for his debt, are entitled to be subrogated to the rights of the plaintiffs as against the principal in case of his default, and their rights should not be barred until after a decree *nisi* against the principal debtor or mortgagor under whom they claim. (Chicago & Vincennes R. R. Co. *vs.* Fosdick, 106 U. S., 47.)

The principle for which we contend was also recognized and enforced in Central R. R. of New Jersey *vs.* Mills, 113 U. S., 249.

So also in Fidelity Company *vs.* Huntingdon, 117 U. S., 280, it was held that a creditor's bill to subject incumbered property to the payment of his judgment by selling the same, and for distribution of the proceeds among lienholders according to priority, was not a cause within the jurisdiction of the Federal Court, even though the only litigated controversy in the cause was a controversy between the judgment creditor and the first mortgagee, citizens of different States, as to the validity of the first mortgage lien.

In Brooks *vs.* Clark, 119 U. S., 502, it was held that the fact that the liability of one party co-residing with the plaintiff had been fixed by a judgment of the State Court did not change the rule and give jurisdiction to the Federal Court of the controversy between the complainant and other defendants having a diverse citizenship. So in Thompson *vs.* Dixon, 28 Fed. Rep., 5, in an action to foreclose a real estate mortgage, the plaintiff mortgagee and the defendant mortgagor were citizens of the State in whose court the action was brought, a defendant lienor and a defendant mortgagee under a different mortgage were citizens of other States and filed separate answers, claiming to have liens prior to that of plaintiff's mortgage, it was held that the cause was one in which the Federal Court had no jurisdiction.

The result of these authorities as applicable to this case is, that the fact that Samuel R. Bullock & Co., who are necessary

defendants in any proceeding brought to enforce complainant's lien, cannot by failing to litigate, by confessing judgment in favor of complainant, or by permitting a decree *pro confesso* to go against them, change the character of the controversy in this case so as to eliminate from it the fatal bar to the plaintiffs proceeding in this court, that the controversy is necessarily and primarily one between citizens of the State of New York, to wit, the Holly Manufacturing Company and Samuel R. Bullock & Co.

The necessity of the joinder of Bullock & Co. as parties defendant is apparent in the light of the ninth assignment of error:—

> *Ninth.*—The learned court erred in directing a sale of the pumping-engines upon which complainant asserted a lien without the prior entry of a decree *in personam* against Samuel R. Bullock & Co., who, by the undisputed evidence in the cause, were primarily liable to the Holly Manufacturing Company for the debt, to secure payment of which the sale is ordered.

Samuel R. Bullock & Co. were the primary debtors to the Holly Manufacturing Company, and continued to be such. Neither by contract or equitable assumption had the water company become liable to pay the debt. On the contrary, the water company had paid Bullock & Co. in full for the engines. The decree which was entered (Record, page 343) in some degree recognized that the Holly Company was not entitled to any decree directing payment of the debt by the water companies, and so simply provides for a sale unless the defendants paid the debt. But the defendants have a substantial equity to demand that there shall be a decree against the primary debtor before their property is taken and sold.

The petitioners therefore submit this application as one in which the record shows a matter of sufficient importance in itself and sufficiently open to controversy to justify this court in reviewing and determining the question.

RICHARD C. DALE,
SAMUEL DICKSON,
For Petitioners.

IN THE UNITED STATES CIRCUIT COURT OF APPEALS,
THIRD CIRCUIT.

The New Chester Water Company et al.

vs.

The Holly Manufacturing Company, and Samuel R. Bullock and William S. Mercer, copartners, trading as Samuel R. Bullock & Co. et al.

In Equity.

Before DALLAS, WALES, and GREEN, J. J.
(November 14th, 1892.)

This was a suit in equity brought in the United States Circuit Court for the Eastern District of Pennsylvania, by the Holly Manufacturing Company, a corporation organized under the laws of the State of New York and a citizen of that State, against the New Chester Water Company and the South Chester Water Company, corporations organized under the laws of the State of Pennsylvania and citizens of said State; William G. Hopper and Harry S. Hopper, citizens of the State of Pennsylvania, trading under the name of William G. Hopper & Co.; William Bucknell, a citizen of the State of Pennsylvania; Richard Wood, George Wood, Walter Wood, and Stuart Wood, citizens of the State of Pennsylvania, trading under the firm name of R. D. Wood & Co.; and the Bienville Water Supply Company, a corporation existing under the laws of the State of Alabama and a citizen thereof.

The bill, as originally filed, alleges that on March 21st, 1887, the New Chester Water Company made a contract with Samuel R. Bullock and William S. Mercer, citizens of the State of New York, doing business under the name of

Samuel R. Bullock & Co., by which Bullock & Co. agreed to construct and equip at their own proper cost and expense a system of water-works at or near Chester, Pennsylvania, in the manner and according to the plans and specifications prepared by the chief engineer of the water company; the said works to be completed and ready for occupation on or before the first day of January, 1888.

Bullock & Co. also agreed to furnish at their own expense all lands necessary for the location of engine and boiler-house and reservoir site. On the completion of the works the water company was to cause an inspection and test of the same, to satisfy it that the said works were constructed and equipped in accordance with the terms of the contract.

Bullock & Co. covenanted to transfer and deliver the said water-works and other property to the New Chester Water Company free from and unincumbered by any liens for the benefit of laborers, mechanics, or material men. In consideration of the execution and performance of the contract by Bullock & Co., the water company was to pay that firm $500,000 in first mortgage six per cent. bonds of the water company, secured by a first mortgage on all the property and franchises of the water company, as authorized by resolutions of its stockholders and board of directors, and seventeen thousand shares of its common capital stock at a par value of fifty dollars each. The bonds and stock were all delivered to Bullock & Co. to enable them to proceed with and to procure the construction and completion of the water-supply system, and to be used for that purpose and to the payment of the said Bullock & Co. therefor when completed. That for the purpose of carrying out their contract with the water company Bullock & Co., on August 3d, 1887, made a contract with the Holly Manufacturing Company to set up in working order at the pumping station in Chester, Pennsylvania, two pumping-engines, for which Bullock & Co. were to pay to the Holly Manufacturing Company the sum of $50,000 in six specified instalments, until the whole amount of the purchase-money of the said engines and connections should be fully paid to the Holly Manufacturing Company. That the Holly

Manufacturing Company constructed and erected the engines in accordance with the contract and received from Bullock & Co. $8333.33 on account; and there remains due and owing to the complainant the sum of $41,667, with interest from August 11th, 1888.

That Bullock & Co., after making the contract of August 3d, 1887, with the Holly Manufacturing Company for the purpose of raising money to carry on the construction of the water-works, pledged the bonds and shares of the water company to William G. Hopper & Co., to secure the price of materials and money to be supplied for the completion of the said water-works.

The bill averred in substance the facts above stated, and prayed a decree establishing a lien in favor of the Holly Manufacturing Company free and superior to any and all liens and claims of any other parties upon the said pumping-engines; and further, that the defendants in this cause may be decreed to pay to the Holly Manufacturing Company the amount ascertained to be due for said pumps at a short day; and that in default thereof the defendants be absolutely foreclosed of all right in equity of redemption in the same.

To the bill as originally filed the defendants demurred upon the ground of the non-joinder as parties in the case of Samuel R. Bullock and William S. Mercer, trading as Samuel R. Bullock & Co., whereupon the said Samuel R. Bullock & Co. were brought upon the record by an amendment which set forth they joined as parties plaintiff, "not as seeking any special or distinct relief in the premises in this proceeding, but in affirmance of the rights of their coplaintiff, the Holly Manufacturing Company, and in order to invest the court with full jurisdiction in the premises, so that a complete decree, protecting the rights of all parties, can be made."

Thereupon the defendants answered, *inter alia*, suggesting that the principal controversy in the cause was between the complainant, the Holly Manufacturing Company, and Bullock & Co., all of whom were citizens of the State of New York, and that therefore the court was without jurisdiction in the premises.

At the hearing upon the bill, answer, and proofs the following facts appeared :—

In the year 1885 charters of incorporation were obtained for four water companies, namely, the New Chester Water Company, the South Chester Water Company, the Penn Water Company, and the Upland Water Company, formed for the purpose of furnishing water for public and domestic use to the city of Chester and adjacent boroughs in Delaware County, Pennsylvania.

On December 9th, 1886, before any work was done by them, a written agreement was entered into between the four named companies in their corporate capacity, all the stockholders thereof individually, and Samuel R. Bullock & Co., a firm of water-works contractors. The leading purpose of the parties to this agreement is expressed in the following clause of the preamble :—

"And Whereas, The stockholders are desirous of selling their said shares of capital stock, and of transferring and surrendering the absolute control of the water companies, and the vendees (Bullock & Co.) are desirous of purchasing and acquiring the same, accordingly the stockholders thereby agree to transfer all the stock of said companies to Samuel R. Bullock & Co., and to deliver to them all the charters, certificates of organization, books, papers, deeds, maps, plans, estimates, stock certificate-books, transfer-books, minute-books, receipts, accounts, contracts, the corporate seals, and all other property of any and every description, kind, or nature belonging to the water companies, or any of then ; and in consideration thereof Bullock & Co. agreed to enter into a contract with the water companies, on terms to be arranged, for the construction and equipment of a system of water-works for furnishing water to the places which the companies were authorized to supply."

The stockholders having complied with their part of this agreement, the following transactions took place and contracts were entered into, all on March 21st, 1887 : Resolutions were adopted by the stockholders of the Penn Water Company and Upland Water Company to sell and convey the

franchises and property of those companies to the South Chester Water Company, and such written transfers were executed. Resolutions were adopted by the stockholders of the South Chester Water Company to increase its capital stock from $1000 to $600,000, and to issue its bonds for $300,000, to be secured by a mortgage upon its franchises and property. Resolutions were adopted by the stockholders of the New Chester Company to increase its capital stock from $500,000 to $1,000,000, to issue its bonds for $500,000, to be secured by a mortgage upon its franchises and property, and that the company guarantee the said bonds of the South Chester Water Company. The New Chester Water Company and the South Chester Water Company entered into an agreement which, *inter alia*, provided that the former company, by its machinery and from its reservoirs, would supply water through the pipes of the latter company to its territory. And, finally, a contract in writing was entered into between Samuel R. Bullock & Co. and the New Chester Water Company, whereby the former agreed to provide the necessary land for an engine and boiler-house and a reservoir site, and to furnish all material and labor for and to construct and equip waterworks at Chester, to be accepted by the water company after completion and satisfactory inspection and test, for the consideration to the contractors of $500,000 in the mortgage bonds of the water company, and seventeen thousand shares of its capital stock of the par value of fifty dollars each.

At that date, March 21st, 1887, the stockholders of the New ChesterWater Company and the number of their respective shares were as follows: Samuel R. Bullock & Co., ninety-nine hundred and ninety-five shares; J. L. Forwood, one share; W. H. Miller, one share; E. F. Fuller, one share; Ellis Morrison, one share; Charles M. Berrian, one share. Each of the last named five persons then held one share of stock in each of the other named water companies, Bullock & Co. holding the rest of stock thereof. The proofs fully warrant the conclusion that these holdings of stock by Forwood, Miller, Fuller, Morrison, and Berrian were nominal and formal, merely to give a legal *status* to the organization. These five

persons constituted the board of directors of the New Chester Water Company, Forwood being president and Miller secretary. Fuller was chief engineer of the company and an employé of Bullock & Co.; Berrian was the attorney of the company and private counsel of Mr. Bullock. All these five directors were completely under the control and direction of Samuel R. Bullock & Co. Emil Woltman, the treasurer of the company, was the confidential clerk of that firm.

Samuel R. Bullock testified: "An arrangement was perfected whereby the *personnel* of the New Chester Water Company was subordinated to the management, direction, and control of my firm, based upon the idea that we would carry out the objects for which that company was incorporated." At the dates of several transactions to which reference is about to be made, and from March 21st, 1887, continuously down until November, 1888, Samuel R. Bullock & Co. had "the absolute control" of the New Chester Water Company, and the organization of that company was wholly under the management and practically in the hands of that firm. The directors acquiesced in whatever that firm did, and practically were but its agents.

On April 1st, 1887, the New Chester Water Company executed a mortgage of its franchises and property then owned or thereafter to be acquired to the Farmers' Loan and Trust Company, a corporation of the State of New York, to secure payment of $500,000 of its bonds, payable to Samuel R. Bullock & Co., or bearer, and the South Chester Water Company executed a like mortgage to the same trustee to secure like bonds to the amount of $300,000.

On May 31st, 1887, an agreement in writing was entered into between the South Ward Water-Works, a corporation, the city of Chester, and the New Chester Water Company, whereby, for a consideration mentioned and moving from the last-named company, the first-named corporation agreed to sell, transfer, and convey all its property, real and personal, to the New Chester Water Company.

On June 13th, 1887, a contract in writing was made between William G. Hopper & Co. and Samuel R. Bullock &

Co., whereby, for a specified consideration, the former agreed to furnish to the latter advances of money upon the bonds of the New Chester Water Company, as earned by and delivered to Bullock & Co., and the notes of that firm, with a deposit as further collateral security of all the stock of the New Chester Water Company and the property of the South Ward Water-Works.

On July 7th, 1887, Hopper & Co. made a special advance of about $300,000 to Bullock & Co., to enable them to consummate the purchase of the South Ward Water-Works, and as security therefor Bullock & Co. delivered to Hopper & Co. the above-mentioned $300,000 of bonds of the South Chester Water Company.

In pursuance of a written authority, signed "J. L. Forwood, president," and "W. H. Miller, secretary," the real estate of the South Ward Water-Works, by the deed of that corporation, dated and executed July 7th, 1887, was conveyed to Samuel R. Bullock in fee.

On July 12th, 1887, Samuel R. Bullock, by deed of that date, conveyed the said real estate to H. S. Hopper, who, on July 29th, 1887, executed and gave to Bullock an instrument in writing, setting forth that the conveyance to him was made as security for advances made and to be made by Hopper & Co. to Bullock & Co.

All the advances which Hopper & Co. ever made under their contract of June 13th, 1887, were made prior to September, 1887.

On August 3d, 1887, Samuel R. Bullock & Co. and the Holly Manufacturing Company, a corporation of the State of New York, entered into a written contract, whereby the latter agreed to manufacture two pumping-engines of specified capacity and set up the same at the city of Chester for the sum of $50, 000, payable $8333.33 on each engine when delivered in Chester, and the like sum on each engine when it has been properly run thirty days, and the like sum on each engine thirty days thereafter. The contract contains the following clause:—

"When said engines and connections are completed and

ready for service, and on notice thereof to the party of the first part (Bullock & Co.) to that effect, the same shall be subjected to a fair trial of their capacity and efficiency for not exceeding twenty-four hours, and on the successful testing thereof the liability of the party of the second part (Holly Company) hereunder shall cease and determine, but it is expressly understood and agreed that the party of the second part shall have a lien on all of said engines and connections, and the party of the second part may remain in and have full possession thereof until the whole amount of the purchase-price of said engines and connections shall have been fully paid to the party of the second part or its assigns."

One payment only; namely, the sum of $8333.33, was made to the Holly Company under its contract, and at the date of the bringing of this suit the balance or sum of $41,667 was due that company on said engines.

On October 26th, 1887, a tripartite agreement was entered into between Samuel R. Bullock & Co., R. D. Wood & Co., and William G. Hopper & Co., whereby, after reciting contracts between Bullock & Co. and Hopper & Co. for advances by the latter to the former upon a pledge of bonds and stocks of water companies, and assignments by Bullock & Co. to Wood & Co. of the bonds and stock so pledged as collateral security for materials that they had furnished, and contracts between Bullock & Co. and Wood & Co., by which the latter had undertaken to complete water-works at Chester, Greencastle, and Mobile, and the representation by Bullock & Co. that $200,000 would enable them to complete those works, William G. Hopper & Co. agreed to advance to Bullock & Co. $200,000, the same to be applied by Wood & Co. to the completion of the water-works at the three named places in certain specified proportions; Wood & Co. to present to Hopper & Co. the detailed applications by Bullock & Co. for money as needed, and Hopper & Co. thereupon to furnish such amounts (within the limit stated) to Wood & Co., who should give their checks for the same to Bullock & Co., who should disburse the moneys for the purposes aforesaid; and in consideration of this advance by Hopper & Co., Wood &

Co. agreed to procure the completion of the water-works at the three named places, "clear of all liens ahead of the securities held by William G. Hopper & Co."

Under this agreement Hopper & Co. advanced the $200-,000, which was all applied to the water-works at the three named places, but not in the proportions mentioned in the contract. The specified amount applicable to the works at Chester was $129,800, whereas the sum actually applied was $61,000 only. But the representation by Bullock & Co. that $200,000 would suffice to complete the works at the three places proved to be incorrect, for besides the money so advanced by Hopper & Co., Wood & Co. in the completion of these works used $105,000 of their own money, and even then the balance of $41,667 due the Holly Company on the pumping-engines at Chester was left unpaid, and also $25,000 due that company on engines at Mobile.

All the advances by Hopper & Co. under the tripartite agreement were made before the latter part of January, 1888, except a trifling sum, which was paid shortly afterwards.

In October, 1887, the Holly Company shipped one of the pumping-engines to Chester, and in February, 1888, the other. Each was consigned to that company itself, and its agents at Chester received the engines and proceeded at its expense to put them in place. They were set on the top of masonry foundations, and were attached thereto by a number of two-inch iron bolts. They could not be operated or tested otherwise. The engines stand in a brick building erected on land which the South Ward Water-Works Company agreed to sell and convey to the New Chester Water Company, but actually conveyed to Samuel R. Bullock, who conveyed the same to H. S. Hopper for the purpose set forth in the paper executed by the latter, as already mentioned. Each engine weighs from about seventy to eighty tons, but they can easily be disconnected from the foundations on which they rest without disturbing the foundations, and can readily be taken apart and through the door of the engine-house without injury to the building.

When the first engine was shipped to Chester, John Lockman, by order of the Holly Company and as its agent, went there to superintend the erection of the engine, and to take charge and control thereof. This he did, remaining constantly in charge. The work of setting them up and ready for service was not completed until some time in July, 1888, but for the delay the Holly Company was not responsible. From the time the first engine was got in working order Lockman acted as engineer, and he has maintained the exclusive charge and custody of both engines. He has carried a key to the building. His wages have been all paid by the Holly Company, and he has acted throughout as agent.

No formal test of the pumping capacity of the engines as provided by the contract was ever made, nor was there any formal acceptance of them by any one. When ready they were set to work pumping water into the reservoir, and have continued to do so under Lockman's control. It is shown that explicit instruction was given by the Holly Company to Lockman to hold possession of the engines of that company, but the exact date thereof does not appear. Lockman states that it was given about midsummer, 1888. Samuel R. Bullock, referring to conversations he had with the officers or representatives of the Holly Company, testified thus: "They told me that they proposed to have Lockman remain there as their representative in charge of the pumps, but they didn't want to interfere with the operations of the company, so he could act as engineer and run the pumps right along;" and Mr. Bullock further testified that he consented to Lockman remaining in possession and charge as desired by the Holly Company.

The bill in this case was filed September 19th, 1888, while Lockman was still in control of the pumping-engines, and he has since maintained his charge and custody thereof in the manner stated, as the representative and under the pay of the Holly Company.

In November, 1888, Bullock & Co. assigned their entire remaining interest in the bonds and stock of the New Chester Water Company to Wood & Co., and at the same time deliv-

ered to them resignations of the officers of the water company. Thereupon new officers were elected, and the water company then took the actual possession of the works, but Lockman's control of the engines continued.

Hopper & Co. and Wood & Co. together hold substantially the entire mortgage bond issue of $500,000 of the New Chester Water Company, sixteen bonds of $1000 each are held by Dyer and Black—under a pledge made in July, 1887—but only to indemnify them against a claim which the water company itself may have against them as sureties for Bullock & Co., touching a lien of $15,000 which they were to remove.

All the bonds and stock of the New Chester Water Company which Bullock & Co. were to receive under their construction contract had been delivered to them probably before the first pumping-engine reached Chester, and certainly before its erection began.

On March 31st, 1890, Samuel R. Bullock and wife executed and delivered to the New Chester Water Company a deed of conveyance of the land upon which the engine-house and pumping-engines stand.

Upon this finding of facts by the court a decree was entered on the 12th of October, 1891, dismissing the bill as to R. D. Wood & Co., so far as it sought to establish an individual liability against that firm, and sustaining the lien of the Holly Manufacturing Company upon the pumping-engines; fixing the balance of the purchase-money due upon the said engines and remaining unpaid at the sum of $41,667, with interest thereon from the eleventh day of August, 1888; and further ordering that unless the defendants or some of them shall, on or before the twenty-third day of November next, pay to the plaintiffs the amounts found due them, then the said engines and their appliances, &c., to be sold at public sale on at least three weeks' notice, &c. Whereupon the defendants, the New Chester Water Company and R. D. Wood & Co., prayed an appeal to this court, and through their counsel have filed the following assignments of error:—

First.—The learned court erred in holding that "upon the whole case, then, we are of the opinion that the contractual lien of the Holly Manufacturing Company upon the pumping-engines here in question is valid and binding, and is enforceable in this suit."

Second.—The learned court erred in holding that Samuel R. Bullock and William S. Mercer, trading as Samuel R. Bullock & Co., were not necessary parties defendant to the cause.

Third.—The learned court erred in holding: "So far as the bill seeks to enforce the Holly Company's lien, it is manifest that there is no dispute between the company and Bullock & Co. Samuel R. Bullock, indeed, was one of the principal witnesses in the case on behalf of the Holly Company to establish its lien, and hence a decree in its favor would conclude him and his firm, if there was any open question on that subject affecting them. But there is no such open question. The Holly Company is not seeking any relief, and needs no decree against Bullock & Co. It is urged, indeed, that that company is proceeding as for a foreclosure without its making debtor, who is the owner of the property, a party defendant. But this is a mistaken view. The ownership of the engines is not in Bullock & Co., and, in truth, was never intended to be in them, for in the purchase they acted in the interest and behalf of the New Chester Water Company. But there can be no longer any pretense of ownership in Bullock & Co., for Samuel R. Bullock, by his deed, has conveyed the title to the real estate to the water company. It is laid down in Jones on Mortgages, volume 2, section 1404, that in an equitable suit for foreclosure, the mortgagor, after he has conveyed the whole of the premises mortgaged, is not a necessary party to the suit. Moreover, Bullock & Co. have assigned all their interest in the bonds and stock of the water company to Wood & Co. Therefore they have no longer any interest, near or remote, in this particular controversy. They are altogether formal parties, whose presence does not oust the jurisdiction of the court, coming within the rule laid down in Wormley

vs. Wormley, 8 Wheat., 451, where the applied test was whether a decree was sought against the party. Here the Holly Company seeks to enforce a charge *in rem*, and Bullock & Co. have neither title to nor interest in the thing."

Fourth.—The learned court erred in holding that the Farmers' Loan and Trust Company was not a necessary party defendant to the cause.

Fifth.—The learned court erred in saying to the objection that the Farmers' Loan and Turst Company is not joined as a defendant in this suit: "It is sufficient to say that as substantially the whole body of bondholders is before the court, the presence of their trustee is wholly unnecessary. Moreover, the enforcement of the Holly Company's specific lien does not involve the validity of the trust mortgage nor affect its standing as respects the principal mortgaged thing, the controversy relating to a mere incidental matter. Again, as the joinder of the trust company might oust the jurisdiction of the court, the omission to make it a party defendant is fully warranted by Equity Rule 47."

Sixth.—The learned court erred in holding: "But, in truth, with respect to this transaction, the distinction between Bullock & Co. and the water company is purely formal and fictitious. Bullock & Co. were the water company in everthing but name. They really held the entire capital stock. Now no court has ever yet decided that an incorporated company in this artificial capacity can be deemed to be ignorant of a matter affecting the company which is known to every individual stockholder. In our judgment, to treat the water company as a *bona fide* purchaser or possessor of the engines without notice of the contractual lien of the Holly Company would be unreasonable and unjust. The water company cannot honestly retain the engines without paying the balance of the purchase-price."

Seventh.—The learned court agreed in holding that the contractual lien of the Holly Manufacturing Company was effect-

ive after the pumping-engines had been delivered and put into operation upon the property of another.

Eighth.—The learned court erred in holding that the lien of the mortgage made by the New Chester Water Company to the Farmers' Loan and Trust Company of New York, dated April 1st, 1887, did not attach to the pumping-engines when they were placed upon the mortgaged premises.

Ninth.—The learned court erred in directing a sale of the pumping-engines upon which complainant asserted a lien without the prior entry of a decree *in personam* against Samuel R. Bullock & Co., who, by the undisputed evidence in the cause, were primarily liable to the Holly Manufacturing Company for the debt, to secure payment of which the sale is ordered.

WALES, District Judge.

ON THE QUESTION OF JURISDICTION.

If Bullock & Co. had been made parties defendant, as suggested by the demurrer to the bill, the jurisdiction of the Circuit Court would have been ousted, because the individual members of that firm were citizens of the same State with the Holly Company. But as there was no subject or matter of controversy existing between the Holly Company and Bullock & Co., there was no necessity for making the firm defendants, and they were therefore made coplaintiffs only for the purpose, as stated in the amendment to the bill, of investing "the court with full jurisdiction of the premises, so that a complete decree protecting the rights of all parties can be made." The firm had divested themselves of all interest in the bonds and stock of the water companies by their assignments to Wood & Co. and to Perrot, and on March 30th, 1890, Samuel R. Bullock and wife had conveyed to the New Chester Water Company the land upon which the engine-house and pumping-engine stand. In addition to this, the amount due by Bullock & Co. to the Holly Company had been reduced to a judgment by confession, so that there was

no dispute about the indebtedness of the firm to their co-plaintiff.

Under these circumstances it is evident that Bullock & Co. are no more than nominal parties. No relief is sought against them, the object of the bill being to enforce the complainant's lien *in rem*, and the rule is well settled that the assignor of a mortgage who has parted with his interest in the mortgaged premises is not a necessary party to a foreclosure bill.

2 Jones on Mortgages, section 1404.

Under the rule laid down in Wormley *vs.* Wormley, 8 Wheat., 451, it would seem that Bullock & Co. might have been joined as defendants without depriving the court below of jurisdiction. In that case Wormley was made one of the defendants to the suit, and his wife and minor children were plaintiffs, so that all the parties on each side of the cause were not citizens of different States; but the court held that Wormley was but a nominal defendant, joined for the sake of conformity in the bill, against whom no decree was sought. He voluntarily appeared, though perhaps he could not have been compelled so to do, and the court would not suffer its jurisdiction to be ousted by the mere joinder or non-joinder of formal parties, but rather proceed without them and decide upon the merits of the case between the parties who had the real interests before it, whenever it could be done without prejudice to the rights of others. In Kerr *vs.* Watts, 6 Wheat., 559, the court, in describing the necessary parties in equity, said: "No one need be made a party complainant in whom there exists no interest, and no one a party defendant from whom nothing is demanded." The pumping-engines had never been delivered to or accepted by Bullock & Co., and no ownership had been vested in, claimed, or exercised by that firm. The engines were intended to be, when paid for, the property of the New Chester Water Company.

The objection that the Farmers' Loan and Trust Company was not joined as a defendant is perhaps still less tenable. That company was the trustee of the bondholders, but as substantially all of the latter were before the court, the appear-

ance of their trustee was not necessary. The enforcement of the complainant's lien on the engines will not affect the validity of the trust mortgage which attaches to the land, and not necessarily to the personal property which may be found thereon. But if there was any doubt as to the necessity of making the trust company a party defendant, it would be removed by the application of Equity Rule 47, which provides that "In all cases where it shall appear to the court that persons who might otherwise be deemed necessary or proper parties to the suit cannot be made parties by reason of their being out of the jurisdiction of the court, or incapable otherwise of being made parties, or because their joinder would oust the jurisdiction of the court as to the parties before the court, the court may, in their discretion, proceed in the cause without making such persons parties; and in such cases decree shall be without prejudice to the rights of absent parties."

This rule is declaratory of the previous decisions of the Supreme Court on the subject. The general rule as to parties in Chancery is that persons falling within the definition of "necessary parties" must be brought in for the purpose of putting an end to the whole controversy, or the bill will be dismissed; but in the Federal courts this rule has been relaxed, resulting from two causes: first, the limitation imposed upon the jurisdiction of these courts by the citizenship of the parties, and, secondly, their inability to bring in parties, out of their jurisdiction, by publication.

Notwithstanding this rule, a circuit court can make no decree affecting the rights of an absent person, and all persons whose interest would be directly affected by the decree are indispensable parties.

Chadbourne *vs.* Coe, 51 Fed. Rep., 481.

But the Farmers' Loan and Trust Company does not belong to this category.

ON THE QUESTION OF LIEN.

The counsel for the appellants rely on their ignorance of the contract between the Holly Company and Bullock &

Co. by which a lien on the engines was reserved. The evidence shows that to whatever extent the other parties defendant may have been ignorant of the lien, the New Chester Water Company must have had knowledge of the contents of the contract of August 3d, 1887, for prior to that date this company had become virtually identical with Bullock & Co., and was subject to the control and management of that firm for all practical purposes. The officers and directors of the water company were the agents and servants of Bullock & Co., and some of the directors had personal knowledge of the terms of the contract. From the time when the engines were delivered at Chester, consigned to the Holly Company, they remained in the exclusive possession of that company through its agent, John Lockman, whose wages were paid by the company, and who was instructed to retain possession of the property. These facts were open to the observation, and must have come to the knowledge, of the water company. The precise date when Hopper & Co. and R. D. Wood and Co. first acquired knowledge of the lien is a matter of dispute, but it sufficiently appears that they had intimate business relations with Bullock & Co. in reference to the loans of large sums of money to be applied to the construction of the water-works at Chester, and the tripartite agreement of October 26th, 1887, between the three firms, provided that these water-works should be completed clear of all liens prior to the securities held by Hopper & Co. Samuel R. Bullock testified that he gave to Hopper & Co. and to R. D. Wood & Co. typewritten copies of the contract of August 3d, 1887, of which the latter say they have no recollection, but the probabilities are strongly in favor of the truth of Bullock's statement. Apart from this, there is nothing in the history of these transactions from which it can be inferred that either Hopper & Co. or Wood & Co. advanced money or gave credit to Bullock & Co. on the faith of the engines, or under the belief that they would constitute a part of the real property of the water company.

But it is contended that it would be against the policy of the law to enforce the lien against an integral part of the property of a public corporation, and in support of this proposition

reference is made to the case of Foster *vs.* Fowler, 60 Penna. St., page 27, in which the court decided that the buildings, &c., of such a corporation necessary for carrying on its operations are not subject to a mechanical lien.

In that case the plaintiff attempted to enforce a statutory mechanic's lien, which, if effectual at all, covered not only the machinery and building containing it, but also the entire premises on which they stood. Here the Holly Company claims a contractual lien on a specific piece of property, which, in fact, had not been delivered to or accepted by the water company before the filing of the bill, September 19th, 1888, and which up to that time had not become a part of the real estate. The Holly Company had not parted with its possession of the engine, which had been placed on foundations for trial to test their capacity and efficiency, and had they proved to be defective, would have been removed and thrown back on the vendor's hands. By attaching the engines to the foundations the Holly Company did not intend to waive their lien, which they continued to maintain by actual possession of the property. The sale to Bullock & Co. was not an absolute one, the lien was not a secret one, and up to the filing of the bill possession in fact of the property had not passed to the water company.

It is conceded that the validity of the lien depends on the laws of Pennsylvania, and an examination of the judicial decisions of that State will put at rest any doubt that may be entertained on this subject. These decisions hold that the intention of the parties to the contract is the main thing to be considered in deciding whether they meant to give the vendor a lien on the property sold. Thus in Shell *vs.* Haywood, 16 Penna. St., 523, where manufacturers had fixed parts of machinery in a building attached to a mill, the owner of the latter, becoming embarrassed, agreed that the boilers and the machinery attached or to be attached to them were the property of the manufacturers, who were to be left to their legal remedy for the materials already furnished, or to the removal of the same at their option; and the court held that as the parties had agreed that the property sold to the mill-owner

should be considered as personal property, it was immaterial whether or not, or in what manner, it was attached to the realty. In Hill *vs.* Sewald, 53 Penna., 271, the court said that it was not the physical character of the connection with the realty which constitute the criterion of annexation, but the intention to annex, whether rightfully or wrongfully, is the true legal criterion.

In Vail *vs.* Weaver, 132 Penna., 363, it was decided that the engine, machinery, and appliances of an electric-light plant do not pass with the real estate upon which it is operated to the purchaser of the realty at a sale under a mortgage judgment, unless it was the intention to make the plant a part of the realty when it was erected.

If, therefore, under the law of Pennsylvania, as declared by its highest judicial tribunal, the intention of the contracting parties is the standard by which the character of boilers, engines, and their appliances, which may be placed upon the premises of another, is to be judged, it will not be necessary in the present case to pursue the inquiry as to whether or not a mortgage of the premises will cover after-acquired property. For we have only to discover what was the intention of the parties to the contract of August 3d, 1887, to ascertain whether the pumping-engines manufactured by the Holly Company were to be considered as personalty or realty.

In Vail *vs.* Weaver, *supra*, the court emphasized its conclusion by saying: "No matter what the law formerly may have been," mere physical attachment with the realty is no longer a criterion of annexation, but the latter depends on the intention of the parties, citing Hill *vs.* Sewald, *supra;* Seegar *vs.* Pettit, 77 Penna., 437; Morris' Appeal, 88 Penna., 368.

It is admitted by counsel for the appellants that while the engines remained detached and separable from the real estate the Holly Company was entitled to its liens, but it is claimed that when they were incorporated into the real estate the rights of the defendants as mortgage creditors and bondholders attached, and the lien was lost. If, however, this question is to be determined by the law of Pennsylvania as announced in the cases just cited, then the intention of the parties to the

contract of August 3d, 1887, must prevail. What the intention was is to be gathered from the terms of the contract, and the parties to it could not have used plainer language than they did to express their understanding of the conditions on which the engines were to be made and placed in position, namely, "It is expressly understood and agreed that the party of the second part (the Holly Company) shall have a lien on all of said engines and connections, and the party of the second part may remain in and have full possession thereof until the whole amount of the purchase-price of said engines and connections shall have been fully paid to the party of the second part or its assigns." The parties did not intend an absolute sale of the property; the sale was not to be perfected until the property had been paid for, and to secure the payment of the price the vendor was to retain possession until this condition had been complied with. Retention of possession under such circumstances is inconsistent with an absolute sale.

Hineman *vs.* Davis, 138 Penna., 204.

The words used by the contracting parties must be taken in their ordinary sense, and there is no rule of construction which admits of any other meaning being given to them than that the sale was made subject to the payment of the price agreed on; and this interpretation is confirmed by the action of the Holly Company in holding on to the possession of the engines, and by the proof that there had been no delivery of property to Bullock & Co. or to the water company, or of acceptance by either of the latter.

As to the general rule of law, uncontrolled by local statutes governing conditional sales, the opinion of the Supreme Court of the United States, in Harkness *vs.* Russell, 118 U. S., 663, contains an elaborate discussion of the whole subject, with a full review of the adjudged cases both in England and in the courts of our own country, and the decision of the court was that, both on principle and authority, a conditional sale of personal property, even where it has been accompanied by delivery, is valid both as against the parties and third persons; and the court stated the general rule, as established

by overwhelming authority, to be "that, in the absence of fraud, a conditional sale is good and valid as well against third persons as against the parties to the transaction."

The present case does not fall within the class of authority cited by appellants' counsel, in which it has been held that the rails and bridges of a railroad of necessity became a permanent part of the whole structure, and therefore cannot be made the subjects of special liens, but is more analogous to the class in which the rolling stock of a railroad company has been held to be the subject of a conditional sale, and on which a lien may be reserved by the vendor. And this appears to be reasonable. Locomotive engines and cars are as essential to the operation of a railroad as pumping-engines are to water-works; but it has been held that the former may be treated as personal property, and as such may be liable to a lien in favor of the seller, which will not be lost in consequence of a prior mortgage which, by its terms, was made to cover after-acquired property.

United States *vs.* New Orleans Railroad, 12 Wall., 362.

See also—

Gregory *vs.* Morris, 96 U. S., 619;
Harlan *vs.* Harlan, 20 Penna., 303;
Benedict *vs.* Marsh, 127 Penna., 309;
Haak *vs.* Linderman, 64 Penna., 409;
Krause *vs.* Com., 93 Penna., 421;
Peck *vs.* Heim, 127 Penna., 500;
Summerson *vs.* Hick, 134 Penna., 566;
Levan *vs.* Wilton, 135 Penna., 61;
Hineman *vs.* Matthews, 138 Penna., 204.

As between the parties to the contract there can be no question as to the validity of the lien or of the right of the Holly Company to enforce it against Bullock & Co., and it must not be overlooked that Bullock & Co., at the date of the contract, were substantially the owners of the whole capital stock of the New Chester Water Company, and that Samuel R. Bullock held the legal title to the real estate on which the pumping-engines were erected, and did not convey it to

the water company until long after this suit had been instituted.

It has not been deemed necessary to consider the question of the validity of the bonds issued by the water company, on the ground that the companies had no power to issue these obligations because of the failure to comply with the requirements of the Pennsylvania statute which authorize the issue of bonds of stock corporations to an amount proportioned to the value of their paid-up shares. The facts found by the Circuit Court, and confirmed by an examination of the evidence, are sufficiently conclusive to establish the creation of the lien of the Holly Company, and to satisfy us that this lien was not lost or waived by any act of that company, and that no one of the appellants had acquired a superior equitable right to the property in dispute. The decree of the Circuit Court is, therefore, affirmed.

UNITED STATES OF AMERICA, *sct.:*

I, William V. Williamson, clerk of the United States Circuit Court of Appeals for the Third District, do hereby certify the foregoing to be a true and faithful copy of the original opinion filed November 14th, 1892, in the case of New Chester Water Company, the South Chester Water Company, Richard Wood, George Wood, Walter Wood, and Stuart Wood, trading as R. D. Wood & Co., appellants, *vs.* The Holly Manufacturing Company *et al.*, No. 6, Special Docket, March Term, 1892, on file, and now remaining among the records of the said court in my office.

SEAL

In Testimony Whereof, I have hereunto subscribed my name and affixed the seal of the said court at Philadelphia, this sixteenth day of November, in the year of our Lord one thousand eight hundred and ninety-two, and of the independence of the United States the one hundred and seventeenth.

WM. V. WILLIAMSON,
Clerk U. S. Circuit Court of Appeals, Third Circuit.

1255

No. . October Term, 1892.

Office Supreme Court U. S.
FILED.
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JAMES H. McKENNEY,
CLERK.

IN THE

Supreme Court of the United States.

EX PARTE THE NEW CHESTER WATER COMPANY, THE SOUTH CHESTER WATER COMPANY, RICHARD WOOD, GEORGE WOOD, WALTER WOOD, AND STUART WOOD, TRADING AS R. D. WOOD & CO.

Sur petition for writ of *certiorari* requiring the Circuit Court of Appeals for the Third Circuit to certify to the Supreme Court for its revision and determination the appeal of the New Chester Water Company, the South Chester Water Company, Richard Wood, George Wood, Walter Wood, and Stuart Wood, trading as R. D. Wood & Co., appellants, against the Holly Manufacturing Company and Samuel R. Bullock and William S. Mercer, copartners, trading as Samuel R. Bullok & Co.

BRIEF OF ARGUMENT AGAINST ALLOWANCE OF THE WRIT.

ROWLAND EVANS,
R. L. ASHHURST,
G. W. BOWEN,
Of Counsel for Appellees.

Allen, Lane & Scott, Prs., Phila.

IN THE SUPREME COURT OF THE UNITED STATES.

No. . October Term, 1892.

Ex parte *the New Chester Water Company, the South Chester Water Company, Richard Wood, George Wood, Walter Wood, and Stuart Wood, trading as R. D. Wood & Co.*

Sur petition for writ of *certiorari* requiring the Circuit Court of Appeals for the Third Circuit to certify to the Supreme Court for its revision and determination the appeal of the New Chester Water Company, the South Chester Water Company, Richard Wood, George Wood, Walter Wood, and Stuart Wood, trading as R. D. Wood & Co., appellants, against the Holly Manufacturing Company and Samuel R. Bullock and William S. Mercer, copartners, trading as Samuel R. Bullock & Co.

BRIEF OF ARGUMENT AGAINST ALLOWANCE OF THE WRIT.

I.

First.—There is no question of jurisdiction involved in the case. What the petitioners try to make out to be a question of jurisdiction is merely a question of parties in an equity suit. That is, who are the necessary parties? Whether Bullock and Mercer are necessary parties, and if they are whether they might not properly be made, as they were parties plaintiff. In a sense the question of parties is a matter of importance to equitable jurisdiction, because equity, seeking to do complete justice, desires to bring all parties who have any interest in the subject-matter within the scope of its decree. But the question of whether a party is or is not

a necessary party, and whether or not the forty-seventh rule is applicable to the case of a particular party is in no sense such a jurisdictional question as is contemplated by the statute. There is no question that the Circuit Court for the Third Circuit had full jurisdiction of the persons of the defendants, who are appellants and petitioners, nor that the controversy between the plaintiffs and them was a controversy between citizens of different States, nor that the suit was brought in the State and circuit of defendants' citizenship and residence. The Holly Manufacturing Company is undisputedly a citizen of New York and the Messrs. Wood and the Water companies citizens and residents of Pennsylvania. The amount in controversy exceeded $5000. There can be no doubt or question of the jurisdiction of the Circuit Court for the Eastern District of Pennsylvania to try and decide the controversy between these parties. Bullock and Mercer, whom the petitioners contend were necessary parties defendant, but who were actually joined as coplaintiffs, make no complaint of the decree—in fact no decree against them was entered nor was any asked for by plaintiffs or defendants. The decision the petitioners complain of, and in which they contend the court erred, was merely on a question of equity pleading and practice. The utmost the petitioners can urge towards making the question a jurisdictional one, is that if the Circuit Court had decided this point before them differently, the plaintiff might have been forced so to amend their bill as to raise a question of jurisdiction. Their contention is that under the rules of equity practice it was necessary to join another party—Bullock & Co.—as defendants, whose joinder, the petitioners contend, would have ousted the jurisdiction of the court. And again, they further complain that when, to meet their objection, these other parties, Bullock & Co., came in as plaintiffs that they were permitted by the Circuit Court to retain that position upon the record, and petitioners contend that the court erred in not marshalling the parties so as to make Bullock & Co.,—who had thus come in as plaintiffs,—defendants, and thus raise up an obstacle to the jurisdiction. But it is clear that, apart from the question of the correctness of the decision of the court on these points

(and we shall show later that there is no ground for disputing its correctness), neither the question whether Bullock & Co. were necessary parties, nor whether if necessary parties they could or could not be sufficiently joined as parties plaintiff, was in any proper sense a jurisdictional question, but both were questions merely of pleading and practice in equity. The decision of the first question turned on whether or not complete relief and full protection could be given by the decree of the court without Bullock & Co. being made parties at all. The second question was whether, granting the necessity of Bullock & Co. being made parties, there was that in the nature of their relation to the transactions involved in the suit which should have compelled the court to make them parties defendant instead of plaintiff; that is, such an antagonism between their interests and that of the other plaintiffs, such an inconsistency and repugnancy of position as made it error for the court to allow them to remain in the position they had assumed. Now, if it were conceded the court erred, how would it appear they had erred on any question of jurisdiction? Is it not manifest their error, if any, would have been, first, in not holding that Bullock & Co. were necessary parties; and, second, in not holding that when they were joined they must be marshalled by the court as defendants. Let us suppose on the first question the decision of the court had been adverse to the plaintiffs and that we could not have obtained the Messrs. Bullock & Co. to come in voluntarily as plaintiffs (we could not have brought them in adversely as defendants, because they were not within reach of process, if for no other reason), and let us suppose the court had then dismissed our bill for lack of parties, can any one contend we could then have brought the case here on appeal as involving a question of jurisdiction? Would not the answer to us have been conclusive that it was only a question of equity pleading and practice? The forty-seventh rule was expressly adopted to get rid of technical questions as to the joinder and marshalling of parties, which had been found so much to hamper and impede the administration of equitable relief. Can it be contended that the limits of the applicability of this

rule constitute a Federal or jurisdictional question in which the reviewing power of this court is liable to be invoked in all cases? If, instead of taking an appeal to the Court of Appeals at all, the petitioners had come here, as they at first sought to come in the first instance, would not their appeal have been dismissed?

Even if it could be successfully established that the decision of this case involved a question of jurisdiction, it does not follow that it is such a question of jurisdiction as this court would consider of sufficient importance to justify the issue of the writ of *certiorari*, when, as is shown, it is, as the case now stands, a matter within the sound discretion of the court. Questions of jurisdiction may and often are indeed of the highest importance, involving the relations between the General Government and the States, or the limit and scope of the Federal authority. On the other hand, questions might take on the semblance of a jurisdictional character which only involved a calculation of pecuniary amount, the regularity of a bond or affidavit, the fullness of the averments in a petition, or whether some persons had or had not some contingent, fragmentary, or possible interest or equity in the subject-matter antagonistic to the interest of some party to the cause who was a citizen of the same State. While, therefore, it is perfectly apparent, without statutory interpretation, that questions of jurisdiction may be of the highest moment, yet it is equally clear that a large class of questions usually classed as jurisdictional are merely technical, and in no sense deserving of the special allowance of a writ of *certiorari*. The ruling of this court since the statutes creating the Courts of Appeal has been that only matters of gravity and importance can justify such allowances.

In the case of Lau Ow Bew, Petitioner, 141 U. S., 587, the Supreme Court of the United States said, by Mr. Chief Justice Fuller: "It is evident that it is solely questions of gravity and importance that the Circuit Court of Appeals should certify to us for construction; and that it is only when such questions are involved that the power of this court to require a case in which the judgment and decree of the Court of

Appeals is made final, to be certified, can be properly invoked. The inquiry upon this application, therefore, is whether the matter is of sufficient importance in itself, and sufficiently open to controversy, to make it the duty of this court to issue the writ applied for in order that the case may be reviewed and determined as if brought here on appeal or writ of error."

In that case the jurisdiction was exercised because it related to the application of the Chinese Restriction Act, involving the construction of the treaties between the Government of the United States and that of China; manifestly, as the Chief Justice said, "A case of great gravity and importance." He added, however, that this branch of her jurisdiction "should be exercised sparingly and with great caution."

So *In re* Woods, 143 U. S., 205, the court, after noticing the decision in Lau Ow Bew and stating that the matter there involved was of great national concern, and, therefore, of sufficient importance to call for the interposition of the supreme tribunal, expressly affirms the rule laid down in the former case that the jurisdiction is to be exercised only when questions of gravity and importance are involved. And Chief Justice Fuller adds: "This must necessarily be so in any view, and especially when it is considered that the Circuit Courts of Appeals were created for the purpose of relieving this court of the oppressive burden of general litigation, which impeded the examination and disposition of cases of public concern, and delayed suitors in the pursuit of justice." And the court dismissed the petition, holding that an inquiry as to the effect of a judgment of dismissal in a former suit for the same cause of action pleaded in the suit at bar under the laws of the State of Minnesota, and a question whether the law in respect of recovery of a servant against a master for injury in the course of his employment had been properly applied on the trial of the cause, did not fall within the category of questions of such gravity and general importance as to require review.

II.

We further submit that if the question be considered on its merits it will be found that Court of Appeals was fully justified

in sustaining the decree of the Circuit Court on the matters complained of, and that the matter is not sufficiently open to controversy to justify the allowance of the writ.

A. Bullock & Co. were not *necessary* parties to this suit.

In Kerr *vs.* Watts, 6 Wheaton, 559, it is laid down that no one need be a party complainant in whom there exists no interest, nor a party defendant from whom nothing is demanded.

In Williams *vs.* Birkhead, 19 Wallace, 571, Mr. Justice Bradley said:—

"The true distinction appears to be as follows:—

"*First.*—Where a person will be directly affected by a decree he is an indispensable party, unless the parties are too numerous to be brought before the court, when the case is subject to a special rule.

"*Secondly.*—Where a person is interested in the controversy, but will not be directly affected by a decree made in his absence, he is not an indispensable party, but he should be made a party if possible, and the court will not proceed to a decree without him if he can be reached.

"*Thirdly.*—Where he is not interested in the controversy between the immediate litigants, but has an interest in the subject-matter which may be conveniently settled in the suit, and thereby prevent further litigation, he may be a party or not at the option of the complainant."

Now, under the rule as stated in the above cases, Bullock & Co. are clearly not *necessary* parties. No relief is prayed for against them; on the branch of the case now before this court no money decree was asked for against any one, all that was sought was the enforcement of complainant's lien *in rem.* A decree fixing the amount due as a step to a foreclosure sale will impose no personal liability on the defendant. The amount due the Holly Company by Bullock & Co. had been liquidated by a judgment of a court of common law, and thus fixed beyond dispute, and there was no controversy between these parties on that score.

The petitioners rely on the case of Brooks *vs.* Clark, 119 U. S., 502, as ruling that the fact that the liability of the

party residing in the same State with plaintiff had been fixed by judgment of a State court did not change the rule and permit the jurisdiction of the Circuit court. But that case differs from ours *toto cœlo*. The judgment in that case was in the same suit which was undertaken to be removed to the United States Court, and if the removal had been sustained the United States Court would have had to issue execution against a resident of the same State as plaintiff. In our case the confessed judgment was in an entirely different suit, which had never been removed.

A decree *in personam* against the mortgagor for the payment by him of the amount due is not, as contended by the petitioners, a necessary part of a foreclosure decree. It is true such an order is usual when a foreclosure sale is decreed, but it is not necessary except when a decree for deficiency is desired against the mortgagors and therefore, when there is a bond or note, or, as in our case, a confessed judgment fixing the liability of the mortgagor, such a decree is frequently dispensed with. Why should the petitioners be interested in the plaintiffs obtaining a decree for deficiency against Bullock & Co. which plaintiffs did not seek or require?

The decree appealed from was on that part of the bill which sought to enforce the lien of the Holly Company against the engines furnished by them. It clearly appears by the record that Bullock & Co. had no interest remaining in the subject-matter of the decree—these engines—and it cannot, therefore, be contended that they are parties having an adverse interest to the Holly Company. By their assignment to Wood & Co., and to Perrott, which are printed as exhibits to our supplemental bill, Nos. 2, 3, and 4, Record, folio 49-54, all Bullock & Co.'s interest in the bonds and stock of the water companies, and all their rights and claims against the water companies, or under the construction contracts, passed. The petitioners urge that these instruments should be disregarded, because posterior in date to the filing of the bill, but they have forgotten that they were brought to the attention of the court regularly by supplemental bill. Certainly the court had the right, for this purpose, to treat the assignment

of all Bullock's interest as absolute, according to the purport of the papers. And it cannot be that the jurisdiction of a court of equity, when complete, over all the parties appearing on the face of the documents to be interested, could be ousted by the allegation of the existence of a secret understanding that the assignment was to be only as collateral, and that there remained a *scintilla* of resulting interest or a hope of right to redeem in Bullock & Co.

Moreover, we submit that the petitioner's contention that "the assignment of Bullock & Co. to Wood & Co. of their interest in the stock and bonds of the water companies was only to secure to Wood & Co. the repayment of advances, and that the ultimate ownership *of both the stock and bonds* was in Bullock & Co.," overlooks the fact that the subject-matter of the present controversy is not the stock and bonds, but the engines; and it is not pretended that either under the alleged parol defeasance or otherwise, Bullock & Co. have any resulting interest in the engines; on the contrary, the petitioner expressly avers (page 18 of the petition) that Bullock & Co. have been fully paid for them, and, as well pointed out in Judge Wales' opinion, the engines were bought for the water company, and, as shown by the testimony, turned over to them by Bullock & Co. when they stepped down and out before the filing of the supplemental bill.

The case clearly fell under the well-settled rule that an assignee who has parted with his interest is not a necessary party, and that a mortgagor who has parted with his interest in the mortgaged premises is not a necessary party to a foreclosure bill.

Jones on Mortgages, volume 2, section 1404;
Dan. Ch. Practice, volume 1, page 255;
Williams *vs.* Smith, 49 Me, 564;
Hilton *vs.* Lothrop, 46 Me., 297;
Andrews *vs.* Stelle, 7 C. E. Greene, 478;
Bailey *vs.* Mynck, 36 Me., 50.

So in Whitney *vs.* McKinney, 7 Johnson Ch., 147, where a bill of foreclosure was brought by the assignee of the mort-

gage, the original mortgagee was held not to be a necessary party. So where the mortgage has been assigned absolutely the mortgagee need not be made a party to bill to redeem brought by mortgagor against the assignee of the mortgage. Hill *vs.* Adams, 2 Atk., 39; Williams *vs.* Sorrel, 4 Ves., 389. The same was the ruling in Kerr *vs.* Watts, 6 Wheaton, 559, which was a bill filed by the assignee of the equitable title for conveyance of legal title, and it was held that this assignor was not a ncessary party.

But even if we were wrong in this contention and even if Bullock & Co. had not divested themselves of interest in the premises and had not come in as plaintiffs, our bill could have been well maintained in either one of two aspects. In the first place, as a bill simply for possession of the pledge and to enjoin the interference of the defendants with our right of possession and removal. As such our bill could have been clearly maintained against these other parties without the pledgor being made a party.

Daniels' Ch. Practice, volume 1, page 216;
Saville *vs.* Tankred, 1 Ves., 101;

and the court could, and probably would, have ordered a sale of the property as perishable.

Or in the second place, the decree could perfectly well stand as a decree for foreclosure and sale of the *res*, reserving the rights of Bullock, the absent party.

It is well settled that in a foreclosure bill by a junior incumbrancer the holder of the first incumbrance need not be made a party; the foreclosure and the sale may be made subject to his mortgage.

Daniel Ch. Pr., volume 1, page 276;
Delabere *vs.* Norwood, 3 Swan, 144;
Rose *vs.* Page, 2 Sim., 471;
Wakeman *vs.* Grover, 4 Paige, 23;
Bodkin *vs.* Fitzpatrick, 1 Hogan, 308;
Parker *vs.* Fuller, 1 Russ & Myl., 656.

In Hagan *vs.* Walker, 14 How., 32, the court said that where the object of the bill is to procure a sale of the land, and

the prior incumbrancer holds the legal title, and his debt is payable, it is proper to make him a party in order that a sale may be made of the whole title. In this sense and for this purpose he may be said to be a necessary party, that is, necessary to such a decree. But it is in the power of the court to order a sale subject to the prior incumbrance, a power which it will exercise in fit cause. And when the prior incumbrancer is not subject to the jurisdiction of the court, and cannot be joined without defeating its jurisdiction, and the validity of the incumbrance is admitted, it is fit to dispense with his being made a party. This is the converse of our case.

In Union Bank *vs.* Stafford, 12 Howard, 335—a bill for foreclosure of a mortgage—it appeared that certain persons who had claimed an interest in the premises were not made parties, they being out of the jurisdiction. Objection being made on this ground, the court said: "It is true that if these persons had been within the jurisdiction of the court they might possibly have been made parties, but there is no decree sought against either of them, nor will a decree in favor of complainants affect their rights." (Page 341.) Jurisdiction was therefore retained, leaving the absent parties unaffected.

In Shields *vs.* Barrow, 17 Howard, 130, the court said: "When an effectual decree can be made between the parties actually before the court it will entertain the suit and proceed to administer such relief as may be in its power, although there may be absent parties whose presence the court would require if within its jurisdiction."

Lord Eldon said that the rule requiring all persons interested to be parties was a rule of convenience, and must not be adhered to in cases in which it is incapable of application, consistent with practical convenience.

Cockburn *vs.* Thompson, 16 Ves., 325.

B. But apart from all this, as the case stands Bullock & Co. have come in voluntarily and made themselves parties plaintiff, because having parted with all their interests in the subject-matter they have no reason for opposing the decree sought for by the plaintiffs, and as they say they make

themselves parties with the plaintiffs, "in affirmance of the rights of their co-plaintiffs, the Holly Manufacturing Company, and in order to invest the court with full jurisdiction of the premises so that a complete decree protecting the rights of all parties may be made." Record, folio 32. They will therefore be clearly estopped from hereafter setting up an interest in the subject-matter of the suit or from averring that their interest was different from what appears upon the record. If Bullock & Co. had been made defendants, it would, of course, have been objected that the jurisdiction of the Federal Court was ousted, because of their being of the same citizenship as the plaintiffs. This constitutes a good reason for putting them on the same side of the record with plaintiffs, under the circumstances and in view of the nature of their relations to the parties.

If the defendants were entitled to claim any relief by way of indemnity or otherwise, as seems to be petitioners' theory, against Bullock & Co., the joinder of Bullock & Co. as plaintiffs put them in a position where by cross-bill or otherwise as they might have been advised defendants might have invoked such relief from the court.

In Brown *vs.* Steamship Co., 5 Blatchford, 537, a bill was brought in the Circuit Court by foreign stockholders of a New York corporation against the corporation and its officers with regard to a certain corporation election. Another stockholder, one Wheeler, who was a citizen of New York, applied to be joined as a plaintiff; and, indeed, it was urged by the defendants that he was a necessary party. The court refused to allow Wheeler to become a party plaintiff, because it might endanger the Federal jurisdiction, and said that, for this reason, "irrespective of the rules referred to (forty-seventh and forty-eighth equity rules), the rule in equity would be to make the party a defendant."

In the Pacific Railway Company *vs.* Ketchum, 101 U. S., 289, a bill was brought in the Federal Court by the holders of bonds secured by a railway mortgage against the mortgage trustees and against the company mortgagor for a foreclosure.

It was objected that the trustees, being citizens of the same State as the plaintiff, the court had no jurisdiction. But it was held that there was virtually no controversy between the plaintiffs and the trustees, and that the interest of the latter was really with the plaintiffs, and so the jurisdiction was sustained.

Applying the language used by the court in that case, we may say that "it is needless to inquire what would be the result here if Bullock & Co. saw fit to dispute the plaintiffs' contention."

In Wormley *vs.* Wormley, 8 Wheaton, 451, the Supreme Court said that the Federal Court will not suffer its jurisdiction to be ousted by the mere joinder or non-joinder of nominal parties; and it was laid down that the test was whether a decree was sought against the party.

C. In all the cases cited by petitioners there was either relief asked against the person who was held to be a necessary party defendant or there was a controversy or question to be settled between him and the plaintiff.

In Central R. R. of New Jersey *vs.* Mills, 113 U. S., 249, the plaintiff as stockholder brought the bill to set aside a lease made by his company to the Philadelphia and Reading Railroad Company. It was held the Central Railroad Company was a necessary party, because affirmative relief was sought from it. The court said: "The bill seeks affirmative relief against the directors, as well as against the two corporations, for one and the same illegal and fraudulent act; the single matter in controversy between the plaintiffs and all the defendants is the validity of that act, and unless it is determined that the action of the New Jersey corporation was invalid as against the plaintiffs, there can be no decree against any of the other defendants."

Fidelity Ins. Co. *vs.* Huntington, 117 U. S., 280, was a case where a bill was filed by a judgment creditor against a railroad company and its mortgagees to subject the incumbered property to a sale and distribution of the proceeds among the lien-holders. The Fidelity Company, being the first mort-

gagee, sought to remove the case to the Federal Court, on the ground that there was a controversy between it, a citizen of Pennsylvania, and Huntington, a citizen of New York. But the other defendants being citizens of the same State with Huntington, the cause was remanded, the court saying :—

"What Huntington wants is not partial relief settling his rights in the property as against the Fidelity Company alone, but a complete decree, which will give him a sale of the entire property, free of all incumbrances, and such a division of the proceeds as the adjusted equities of each and all the parties shall require.

"The remedy which Huntington seeks requires the presence of all the defendants, and the settlement not of one only, but of all the branches of the case."

In Brooks *vs.* Clark, 119 U. S., 502, the suit having been brought in a State Court and judgment obtained against one defendant, a co-resident with plaintiff, it was held the other defendant could not remove the cause. The court said:—

"If the removal should be allowed and a judgment rendered in favor of Charles H. Brooks, the Circuit Court would be compelled to carry into execution the judgment of the State Court against Josiah D. Brooks, which would in no sense be a judgment of the Circuit Court, but of the State Court alone."

Fidelity *vs.* Huntington, Brooks *vs.* Clark, and Thompson *vs.* Dixon, 28 Fed. Rep., 5, simply decide, as was said in the first named case, "that separate defenses do not create separate controversies within the meaning of the removal act."

In all cases cited by appellants the cause had been begun in the State Court, and a removal to the Federal Court was denied because the plaintiff would thereby have lost some relief or remedy which he sought against a defendant who was a resident of his own State.

None of these were cases where the *plaintiff* sought Federal jurisdiction and dispensed with the presence of a party against whom he asked no decree, but were cases where one or some of several defendants sought to bring the case into Federal jurisdiction, and the application was denied because the

Federal Court would have been unable to give the plaintiff the relief he prayed for against a defendant who was a co-resident with the plaintiff.

ROWLAND EVANS,
R. L. ASHHURST,
D. G. W. BOWEN,
For Appellees.

NOTE.—We have added to our brief the very able opinion of Judge Acheson in the Circuit Court, which is not in petitioners' brief, and is only found in very small print in the record.

IN THE UNITED STATES CIRCUIT COURT IN AND FOR THE EASTERN DISTRICT OF PENNSYLVANIA. THIRD CIRCUIT.

IN EQUITY.

The Holly Manufacturing Company et al.

vs.

The New Chester Water Company et al.

October Session, 1888.

No. 3.

OPINION OF THE CIRCUIT COURT.

ACHESON, Cir. J.

The proofs in this case are unusually voluminous, and the transactions thereby disclosed are many and complicated. Some matters which we regard as immaterial to the real issues we will not discuss or mention. The controlling facts we find to be as follows:—

In the year 1885 charters of incorporation were obtained for four water companies, namely, the New Chester Water Company, the South Chester Water Company, the Penn Water Company, and the Upland Water Company, formed for the purpose of furnishing water for public and domestic use to the city of Chester and adjacent boroughs, in Delaware County, Pa.

On December 9th, 1886, before any work was done by them a written agreement was entered into between the four companies in their corporate capacity, all the stockholders

thereof individually, and Samuel R. Bullock & Co., a firm of water-works' contractors. The leading purpose of the parties to this agreement is expressed in the following clause of the preamble: "And whereas, the stockholders are desirous of selling their said shares of capital stock, and of transferring and surrendering the absolute control of the water companies, and the vendees (Bullock & Co.) are desirous of purchasing and acquiring the same." Accordingly the stockholders thereby agreed to transfer all the stock of said companies to Samuel R. Bullock & Co., and to deliver to them "all the charters, certificates of organization, books, papers, deeds, maps, plans, estimates, stock-certificate-books, transfer-books, minute-books, receipts, accounts, contracts, the corporate seals, and all other property of any and every description, kind, or nature belonging to the water companies, or any of them; and, in consideration thereof, Bullock & Co. agreed to enter into a contract with the water companies, on terms to be arranged, for the construction and equipment of a system of water-works for furnishing water to the places which the companies were authorized to supply.

The stockholders having complied with their part of this agreement, the following transactions took place and contracts were entered into, all on March 21st, 1887. Resolutions were adopted by the stockholders of the Penn Water Company and Upland Water Company to sell and convey the franchises and property of those companies to the South Chester Water Company, and such written transfers were executed. Resolutions were adopted by the stockholders of the South Chester Water Company to increase its capital stock from $1000 to $600,000, and to issue its bonds for $300,000, to be secured by a mortgage upon its franchises and property. Resolutions were adopted by the stockholders of the New Chester Water Company to increase its capital stock from $500,000 to $1,000,000, to issue its bonds for $500,000, to be secured by a mortgage upon its franchises and property, and that the company guarantee the said bonds of the South Chester Water Company. The New Chester Water Company and the South Chester Water Company entered into an agree-

ment, which, *inter alia*, provided that the former company, by its machinery and from its reservoirs, would supply water through the pipes of the latter company to its territory. And finally, a contract in writing was entered into between Samuel R. Bullock & Co. and the New Chester Water Company, whereby the former agreed to provide the necessary land for an engine and boiler-house and a reservoir site, and to furnish all material and labor for and to construct and equip water-works at Chester, to be accepted by the water company after completion and satisfactory inspection and test, for the consideration to the contractors of $500,000 in the mortgage bonds of the water company and seventeen thousand shares of its capital stock of the par value of fifty dollars each.

At that date, March 21st, 1887, the stockholders of the New Chester Water Company and the number of their respective shares were as follows: Samuel R. Bullock & Co., ninety-nine hundred and ninety-five shares; J. L. Forwood, one share; W. H. Miller, one share; E. F. Fuller, one share; Ellis Morrison, one share; Charles M. Berrian, one share. Each of the last-named five persons then held one share of stock in each of the other-named water companies, Bullock & Co. holding the rest of the stock thereof. The proofs fully warrant the conclusion that these holdings of stock by Forwood, Miller, Fuller, Morrison, and Berrian were nominal and formal, merely to give a legal *status* to the organization. These five persons constituted the board of directors of the New Chester Water Company, Forwood being president and Miller secretary. Fuller was chief engineer of the company and an employé of Bullock & Co. Berrian was the attorney of the company and private counsel of Mr. Bullock. All these five directors were completely under the control and direction of Samuel R. Bullock & Co. Emil Woltman, the treasurer of the company, was the confidential clerk of that firm.

Samuel R. Bullock has here testified: "An arrangement was perfected whereby the *personnel* of the New Chester Water Company was subordinated to the management, direction, and control of my firm, based upon the idea that we

would carry out the objects for which that company was incorporated." This statement is true. At the dates of the several transactions to which reference is about to be made, and from March 21st, 1887, continuously down until November, 1888, Samuel R. Bullock & Co. had "the absolute control" of the New Chester Water Company, and the organization of that company was wholly under the management and practically in the hands of that firm. The directors acquiesced in whatever that firm did and practically were but its agents.

On April 1st, 1887, the New Chester Water Company executed a mortgage of its franchises and property then owned or thereafter to be acquired to the Farmers' Loan and Trust Company, a corporation of the State of New York, to secure payment of $500,000 of its bonds payable to Samuel R. Bullock & Co., or bearer, and the South Chester Water Company executed a like mortgage to the same trustee to secure like bonds to the amount of $300,000.

On May 31st, 1887, an agreement in writing was entered into between the South Ward Water-Works, a corporation, the city of Chester, and the New Chester Water Company, whereby for a consideration mentioned and moving from the last named company, the first named corporation agreed to sell, transfer, and convey all its property, real and personal, to the New Chester Water Company.

On June 13th, 1887, a contract in writing was made between William G. Hopper & Co. and Samuel R. Bullock & Co., whereby, for a specified consideration, the former agreed to furnish to the latter advances of money upon the bonds of the New Chester Water Company, as earned by and delivered to Bullock & Co., and the notes of that firm, with a deposit as further collateral security of all the stock of the New Chester Water Company and the property of the South Ward Water-Works.

On July 7th, 1887, Hopper & Co. made a special advance of about $300,000 to Bullock & Co. to enable them to consummate the purchase of the South Ward Water-Works, and as security therefor Bullock & Co. delivered to Hopper & Co.

the above-mentioned $300,000 of bonds of the South Chester Water Company.

In pursuance of written authority signed "J. L. Forwood, president," and "W. H. Miller, secretary," the real estate of the South Ward Water-Works by the deed of that corporation dated and executed July 7th, 1887, was conveyed to Samuel R. Bullock in fee.

On July 12th, 1887, Samuel R. Bullock by deed of that date conveyed the said real estate to H. S. Hopper, who on July 29th, 1887, executed and gave to Bullock an instrument in writing setting forth that the conveyance to him was made as security for advances made and to be made by Hopper & Co. to Bullock & Co.

All the advances which Hopper & Co. ever made under their contract of June 13th, 1887, were made prior to September, 1887.

On August 3d, 1887, Samuel R. Bullock & Co., and the Holly Manufacturing Company, a corporation of the State of New York, entered into a written contract whereby the latter agreed to manufacture two pumping-engines of specified capacity, and set up the same at the city of Chester for the sum of $50,000, payable $8333.33 on each engine when delivered in Chester, and the like sum on each engine when it has been properly run thirty days, and the like sum on each engine thirty days thereafter. The contract contains the following clause:—

"When said engines and connections are completed and ready for service, and on notice thereof to the party of the first part (Bullock & Co.) to that effect, the same shall be subjected to a fair trial of their capacity and efficiency for not exceeding twenty-four hours, and on the successful testing thereof the liability of the party of the second part (Holly Company) hereunder shall cease and determine, but it is expressly understood and agreed that the party of the second part shall have a lien on all of said engines and connections, and the party of the second part may remain in and have full possession thereof until the whole amount of the purchase price of said engines and connections shall have

been fully paid to the party of the second part or its assigns."

One payment only, namely, the sum of $8333.33, was made to the Holly Company under its contract, and at the date of the bringing of this suit the balance, or sum of $41,667, was due that company on said engines.

On October 26th, 1887, a tripartite agreement was entered into between Samuel R. Bullock & Co., R. D. Wood & Co., and William G. Hopper & Co., whereby, after reciting contracts between Bullock & Co. and Hopper & Co. for advances by the latter to the former upon a pledge of bonds and stocks of water companies, and assignment by Bullock & Co. to Wood & Co. of the bonds and stock so pledged as collateral security for materials that had furnished, and contracts between Bullock & Co. and Wood & Co., by which the latter had undertaken to complete water-works at Chester, Greencastle, and Mobile, and the representation by Bullock & Co. that $200,000 would enable them to complete those works, William G. Hopper & Co. agreed to advance to Bullock & Co. $200,000, the same to be applied by Wood & Co. to the completion of the water-works at the three named places in certain specified proportions; Wood & Co to present to Hopper & Co. the detailed applications by Bullock & Co. for money as needed, and Hopper & Co. thereupon to furnish such amounts (within the limit stated) to Wood & Co., who should give their checks for the same to Bullock & Co., who should disburse the moneys for the purposes aforesaid; and in consideration of this advance by Hopper & Co., Wood & Co. agreed to procure the completion of the water-works at the three named places "clear of all liens ahead of the securities held by William G. Hopper & Co."

Under this agreement Hopper & Co. advanced the $200,000, which was all applied to the water-works at the three named places, but not in the proportions mentioned in the contract. The specified amount applicable to the works at Chester was $129,800, whereas the sum actually applied was $61,000 only. But the representation by Bullock & Co., that $200,000 would suffice to complete the works at the three

places proved to be incorrect, for besides the money so advanced by Hopper & Co., Wood & Co., in the completion of those works, used $105,000 of their own money, and even then the balance of $41,667 due the Holly Company on the pumping-engines at Chester was left unpaid, and also $25,000 due that company on engines at Mobile; and, it would seem, some other debts remained unsettled.

All the advances by Hopper & Co. under the tripartite agreement were made before the latter part of January, 1888, except a trifling sum, which was paid shortly afterwards.

In October, 1887, the Holly Company shipped one of the pumping-engines to Chester, and in February, 1888, the other. Each was consigned to that company itself, and its agents at Chester received the engines and proceeded at its expense to put them in place. They were set on the top of masonry foundations, and were attached thereto by a number of two-inch iron bolts. They could not be operated or tested otherwise. The engines stand in a brick building erected on land which the South Ward Water-Works Company agreed to sell and convey to the New Chester Water Company, but actually conveyed to Samuel R. Bullock, who conveyed the same to H. S. Hopper for the purpose set forth in the paper executed by the latter, as already mentioned. Each engine weighs from about seventy to eighty tons; but they can easily be disconnected from the foundations on which they rest without disturbing the foundations, and can readily be taken apart and through the door of the engine-house without injury to the building.

When the first engine was shipped to Chester John Lockman, by order of the Holly Company and as its agent, went there to superintend the erection of the engines and to take charge and control thereof. This he did, remaining constantly in charge. The work of setting them up and ready for service was not completed until some time in July, 1888, but for the delay the Holly Company was not responsible. From the time the first engine was got in working order Lockman acted as engineer, and he has maintained the exclusive charge and custody of both engines. He has carried a

key of the building. His wages have all been paid by the Holly Company, and he has acted throughout as its agent.

No formal test of the pumping capacity of the engines as provided by the contract was ever made, nor was there any formal acceptance of them by any one. When ready they were set to work pumping water into the reservoir, and have continued to do so under Lockman's control. It is shown that explicit instruction was given by the Holly Company to Lockman to hold possession of the engines for that company, but the exact date thereof does not appear. Lockman states it was given about midsummer, 1888. Samuel R. Bullock, referring to conversations he had with the officers or representatives of the Holly Company, testified thus: "They told me that they proposed to have Lockman remain there as their representative in charge of the pumps, but they didn't want to interfere with the operations of the company, so he could act as engineer and run the pumps right along;" and Mr. Bullock further testified that he consented to Lockman remaining in possession and charge as desired by the Holly Company. This testimony of Mr. Bullock is uncontradicted, and there is no reason to doubt its truthfulness.

The bill in this case was filed September 19th, 1888, while Lockman was still in control of the pumping-engines, and he has since maintained his charge and custody thereof in the manner stated, as the representative and under the pay of the Holly Company.

In November, 1888, Bullock & Co. assigned their entire remaining interest in the bonds and stock of the New Chester Water Company to Wood & Co., and at the same time delivered to them resignations of the officers of the water company. Thereupon new officers were elected, and the water company then took the actual possession of the works, but Lockman's control of the engines continued.

Hopper & Co. and Wood & Co. together hold substantially the entire mortgage bond issue of $500,000 of the New Chester Water Company; sixteen bonds of $1000 each are, indeed, held by Dyer and Black under a pledge made in July, 1887, but only to indemnify them against a claim which the

water company itself may have against them as sureties for Bullock & Co., touching a lien of $15,000 which they were to remove.

All the bonds and stock of the New Chester Water Company which Bullock & Co. were to receive under their construction contract had been delivered to them probably before the first pumping-engine reached Chester, and certainly before its erection began.

On March 31st, 1890, Samuel R. Bullock and wife executed and delivered to the New Chester Water Company a deed of conveyance of the land upon which the engine-house and pumping-engines stand.

Upon this state of facts two questions are presented for our determination: First, whether R. D. Wood & Co. are under any personal liability to the Holly Manufacturing Company; and, second, whether that company has a valid lien upon or claim to the pumping-engines at Chester enforceable in this suit.

The first question, it seems to us, is not difficult of solution. The Holly Company was not a party to the tripartite agreement of October 26th, 1887. That instrument contains no provision expressed to be in its behalf. Neither was any money thereby specifically set apart to the pay for pumping-engines either at Chester or Mobile. The agreement was for the mutual benefit of the three parties who executed it, and to promote a purpose in which they had a common interest. To secure the faithful application to that object of the fund which Hopper & Co. proposed then to advance, it was stipulated that it should pass through the hands of Wood & Co., but the paper provided that ultimately the money should be distributed by Bullock & Co. It was then believed that $200,000 would complete the water-works at Chester, Greencastle, and Mobile. So Bullock & Co. had represented. Confiding in the correctness of that estimate the paper provided for the apportionment of the fund between the three places. But this did not give third persons any right to control the application of the fund or any vested interest therein. The parties to the agreement did not relinquish their joint

dominion over the fund. As between themselves the agreed apportionment in the first instance was binding, but it was not irrevocable by them. Therefore when they discovered that the fund was insufficient to accomplish all that was intended, it was competent for them to change the apportionment. This was done by their mutual consent, and no third person had any right to complain. In point of fact, every dollar of the money so advanced by Hopper & Co. was used in the completion of the water-works at the three places, although not in the proportions originally contemplated.

We note the recital in the tripartite agreement that "Samuel R. Bullock & Co. and R. D. Wood & Co. have entered into certain contracts by which the said R. D. Wood & Co. have agreed to complete the water-works at Chester, Greencastle, and Mobile." But those contracts are not in evidence, we do not know their contents, and they are not here available to the Holly Company.

The stipulation that Wood & Co. would procure the completion of the water-works "clear of all liens ahead of the securities held by Wm. G. Hopper & Co.," was for the special benefit of that firm, and the Holly Company is a stranger to the consideration upon which it was based. Moreover, Wood & Co. have made advances out of their own pockets to the amount of $105,000 not contemplated by the parties. Notwithstanding this unexpected result they may still be legally answerable to Hopper & Co., but we do not perceive that the Holly Company has any right to equitable relief by virtue of anything contained in the tripartite agreement. Nor does the fact that Bullock & Co. assigned all their remaining interest in the bonds and stock of the New Chester Water Company to Wood & Co. affect the case. The good faith of that transfer is not impeached. Neither under the proofs can it be maintained that the stock of the water company in the hands of Wood & Co. is unpaid capital stock, and hence a trust fund for the payment of the debts incurred on behalf of the company.

We are, then, of the opinion that no equitable ground to charge R. D. Wood & Co., personally, is shown.

We pass now to a consideration of the rights of the Holly Manufacturing Company under the clause already quoted of the contract of August 3d, 1887. The language there used is plain and the purpose unmistakable. The contract not only created a lien upon the engines for the purchase price, but it also provided that the Holly Company "may remain in and have full possession" thereof until the price is paid. The privilege thus conferred upon the Holly Company to maintain possession evidently was for the better security of the purchase-money. This right, it is to be assumed, was to be exercised in such a manner as was consistent with the nature of the property and the use to which it was designed. But certainly the parties did not contemplate any such unqualified delivery of the pumping engines as would wholly defeat the exercise by the Holly Company of its right to possession. Manifestly the engines were not to become inseparably incorporated with the real estate until they should be subjected to the prescribed "trial of their capacity and efficiency" and were accepted. Had they failed to meet the required test the vendor would have been compelled to take them away. Neither was it intended that the engines should be converted from personalty into realty until they were paid for. The Holly Company's right to "remain in and have full possession" of the engines plainly was inconsistent with such a conversion. All this, we think, is very clear. And we here observe that at the date of the contract Bullock & Co. were in possession of the real estate and the legal title was in Bullock, for the transaction between him and H. S. Hopper—the deed to the latter and his written acknowledgment—constituted only a mortgage. Bullock & Co., then, were in a position to stipulate as they did with respect to the Holly Company's lien for the purchase-money and its right to maintain possession of the engines as additional security.

Is there any rule of public policy which will defeat the undeniable intention of the parties as the same appears on the face of the contract? Now, while by the settled law of Pennsylvania where personal property is delivered under a conditional sale, a provision in the contract preserving to the vendor

the title until the property is paid for, is void as respects execution creditors of the vendee, or an innocent purchaser from him, yet as against the vendee himself the seller may reserve the right of property in the goods until payment, and in default he may reclaim them, or resort to legal remedies. *Haak* vs. *Linderman*, 64 Pa. St., 499; *Krause* vs. *Com.*, 93 *Id.*, 421. All the Pennsylvania cases agree that such a reservation of title to the goods as security for the price is valid as between the parties themselves. *Peek* vs. *Heim*, 127 Pa. St., 500; *Summerson* vs. *Hicks*, 134 *Id.*, 566; *Levan* vs. *Wilton*, 135 Od., 61. In the very latest case on this subject, *Hineman* vs. *Matthews*, 138 Pa. St., 204, where there was a sale of timber on an agreement that the title was not to pass until payment, but the vendee was permitted to remove the timber and convert it into lumber, and then failed to pay, whereupon the vendor took possession of the lumber, it was ruled that he could hold it against a subsequent execution creditor of the vendee.

In *Harkness* vs. *Russell*, 118 U. S., 663, upon an exhaustive review of the decisions, the conclusion was reached by the Supreme Court of the United States that by the general rule of law, unaffected by local statutes or local decisions, a conditional sale of personal property accompanied by delivery is valid both as against the parties and third persons; and it was further shown that by the almost unanimous opinion of the courts a purchaser buying with notice from the conditional vendee cannot hold the property as against the claim of the original vendor.

The case of *Gregory* vs. *Morris*, 96 U. S., 619, is instructive. There a contract of sale of cattle gave the vendor a lien thereon for the price, and authorized him to designate a person to go along with and retain possession of the cattle, who upon non-payment was to sell the whole or a portion of the cattle. The court sustained the lien as between the parties. Chief Justice Waite, speaking for the court, said: "The lien at common law of the vendor of personal property to secure payment of purchase-money is lost by the voluntary and unconditional delivery of the property to the purchaser; but this does not prevent the parties from contracting for a lien,

which, as between themselves, will be good after delivery. So, ordinarily, when the possession of a pledge is relinquished, the rights of the pledgee are gone. In this case, however, Morris was not willing to rely upon the lien which the law gave him as vendor, or upon a mere pledge of the property, but required a special contract on the part of Gregory, securing his rights. This contract created a charge upon the property, not in the nature of a pledge, but of a mortgage. The lien, as between the parties, was not made to depend upon possession, but upon a contract, which defined the rights both of Morris and Gregory, and the power of Morris for the enforcement of his security."

That it was competent for the parties here to agree that the pumping-engines should remain personalty until paid for, is not to be doubted under the Pennsylvania authorities. *Shell* vs. *Haywood*, 16 Pa. St., 523; *Harlan* vs. *Harlan*, 20 *Id.*, 303. In *Shell* vs. *Haywood*, *supra*, the court declared that the rule of severance and removal is one subject to the control and modification of the parties representing the property, who may vary the same according to their convenience, pleasure, or regard for right; for (said Chambers, J.) "whether attached to the realty or not, or in whatever manner attached, is immateral, when the parties agree to consider it personal property." All the Pennsylvania cases (and they deal with boilers, engines, and machinery generally) concur in the view that it is not the character of the physical connection which constitutes the test of annexation, but intention is the true legal criterion. *Hill* vs. *Sewald*, 53 Pa. St., 271; *Benedict* vs. *Marsh*, 127 *Id.*, 309. It was therefore held in *Vail* vs. *Weaver*, 132 Pa. St., 363, that the engine, machinery, and appliances of an electric-light plant erected upon and firmly attached to real estate do not pass to a purchaser of the real estate at a sale upon a mortgage of the realty made and recorded before the plant was placed by the mortgagor on the mortgaged premises, unless it was the intention to make the plant a part of the realty when it was erected. This decision seems to us to be a decisive answer to the argument that the pumping-engines as after-acquired property come within the grasp of the

mortgage of April 1st, 1887, to the Farmers' Loan and Trust Company, in such a manner that the Holly Company's lien was displaced.

This case belongs rather to that class of cases of which *United States* vs. *New Orleans Railroad*, 12 Wal., 362, is the exponent, than to the class represented by *Porter* vs. *Pittsburgh Steel Co.*, 122 U. S., 267. The subject-matter of contest in the former of these two cases was after-acquired rolling stock of a railroad, which by the purchase contract was charged with a lien for the price. To the proposition that a prior general mortgage which in terms covered after-acquired property attached to this rolling stock as soon as acquired to the displacement of the contractual lien, the court, speaking by Mr. Justice Bradley, said: "That doctrine is intended to subserve the purposes of justice and not injustice. A mortgage intended to cover after-acquired property can only attach itself to such property in the condition in which it comes into the mortgagor's hands. If that property is already subject to mortgages or other liens, the general mortgage does not displace them, though they may be junior to it in point of time." It was there added that the result would be different in the case of rails or other materials which became a part of the principal thing. In the case of *Porter* vs. *Pittsburgh Steel Co.*, *supra*, railroad bridges were the subject-matter of controversy. But rails and bridges necessarily become an actual part of the permanent structure of a railroad and are inseparable from it without destruction to the road. In that respect they are like the stones and bricks of a house. But detachable and removable machinery is susceptible of ownership distinct from the land and buildings and may be subject of particular and separate liens. *Harlan* vs. *Harlan, supra*; *Benedict* vs. *Marsh, supra*; *Vail* vs. *Weaver, supra*. In the present case it is clear from the terms of the contract of August 3d, 1887, that the parties thereto did not intend that the pumping-engines should be converted from personalty into realty until paid for, and the evidence shows beyond any doubt that the engines can be easily detached from their fastenings and removed without any injury to them or damage to the building.

We think it would be a work of supererogation to enlarge upon the proposition that as against Samuel R. Bullock & Co. the Holly Company's contractual lien is good. They at least cannot gainsay its validity. Has the New Chester Water Company, upon the undisputed facts of this case, any better right? That company, indeed, was not formally a party to the contract of August 3d, 1887, but if regard be had to the substance of things, it must be treated in this matter as subject to the terms of the contract. For the purpose of the erection of the works at Chester the water company, as we have seen, had put itself in the "absolute control" of Bullock & Co. In the expressive language of Mr. Bullock "the *personnel* of the New Chester Water Company was subordinate to the management, direction, and control" of his firm. To all intents and purposes the directors and other officials of the water company were the mere servants of Bullock & Co. It appears that some of the directors had positive knowledge of the terms of the contract with the Holly Company, and under the circumstances notice thereof is to be imputed to them all. Moreover, the open control which Lockman exercised over the pumping-engines was sufficient to affect the water company with notice of his principal's lien. But, in truth, with respect to this transaction, the distinction between Bullock & Co. and the water company is purely formal and fictitious. Bullock & Co. *were* the water company in everything but name. They really held the entire capital stock. Now no court has ever yet decided that an incorporated company in this artificial capacity can be deemed to be ignorant of a matter affecting the company which is known to every individual stockholder. In our judgment to treat the water company as a *bona fide* purchaser or possessor of the engines without notice of the contractual lien of the Holly Company would be unreasonable and unjust. The water company cannot honestly retain the engines without paying the balance of the purchase price.

But to defeat the Holly Company the defendants invoke the decision in *Foster* vs. *Fowler*, 60 Pa. St., 27, that the land and buildings of an incorporated water company are not

subject to a lien under the mechanics' lien act. The Holly Company, however, claims nothing under the mechanics' lien law, nor a lien of the character thereby given. It is asserting a contractual lien which binds a certain removable piece of machinery which was not delivered absolutely but *sub modo*. It would, then, be a misconception of the principle of that decision to apply it here. If a water company should contract for a pumping-engine to be paid for when set up and satisfactorily tested, would any one contend that having got the engine within its walls it could hold on to it without paying for it? But what difference does it make that a short credit of sixty days is given, the contract reserving to the vendor a lien with a possessory right as further security?

We fail to see that any one has equities superior to those of the Holly Company. No rights of third persons have intervened. When William G. Hopper & Co. and R. D. Wood & Co. first acquired knowledge of the contract of August 3d, 1887, is the subject of dispute and the testimony is conflicting. Those firms, however, stood in close relations to Bullock & Co., and the facts about the contract for the pumping-engines were easily discoverable by them. The tripartite agreement of October 26th, 1887, discloses that they were not unmindful of the possible existence of "liens ahead of the securities held by William G. Hopper & Co.," and it was thereby agreed that the firm should be protected by Wood & Co. against all such liens. Certain it is that neither of those firms advanced any money on the faith of the pumping-engines. Neither did the water company itself part with any of its bonds or stock on the faith thereof. Finally, it appears that the bonds of the water company are still in original hands, Hopper & Co. and Wood & Co., between them, owning substantially all of them, and really representing the whole issue.

But the jurisdiction of the court is challenged because of the joinder as coplaintiffs with the Holly Company of Samuel R. Bullock & Co., whose true place the defendants contend is on their side; and it is insisted that when so placed the jurisdiction is gone, they being citizens of the same State with the

Holly Company. Bullock & Co. were brought upon the record after the bill was filed by an amendment, which set forth that they joined as parties plaintiff, "not as seeking any special or distinct relief in the premises, in this proceeding, but in affirmance of the rights of their coplaintiff, the Holly Manufacturing Company, and in order to invest the court with full jurisdiction in the premises, so that a complete decree protecting the rights of all parties can be made." Their voluntary joinder, with respect to the Holly Company's supposed equitable rights against Wood & Co., is put upon the ground that Bullock & Co. stood to the Holly Company in the relation of trustees, holding the legal title to the contract, and their interest being with that company they might arrange themselves on the same side with it, agreeably to the principle recognized in *Pacific Railroad* vs. *Ketchum*, 101 U. S., 299. This position we need not discuss, our conclusion upon that branch of the case being adverse to the Holly Company, upon a consideration of the merits of the controversy. So far as the bill seeks to enforce the Holly Company's lien, it is manifest that there is no dispute between the company and Bullock & Co. Samuel R. Bullock, indeed, was one of the principal witnesses in the case on behalf of the Holly Company to establish its lien, and hence a decree in its favor would conclude him and his firm, if there were any open question on that subject affecting them. But there is no such open question. The Holly Company is not seeking any relief and needs no decree against Bullock & Co. It is urged, indeed, that that company is proceeding as for a foreclosure without making its debtor, who is the owner of the property, a party defendant. But this is a mistaken view. The ownership of the engines is not in Bullock & Co., and, in truth, was never intended to be in them, for in the purchase they acted in the interest and behalf of the New Chester Water Company. But there can be no longer any pretense of ownership in Bullock & Co., for Samuel R. Bullock, by his deed, has conveyed the title to the real estate to the water company. It is laid down in *Jones on Mortgages*, vol. 2, section 1404, that in an equitable suit for foreclosure the mortgagor after he has conveyed the whole of the premises

mortgaged is not a necessary party to the suit. Moreover, Bullock & Co. have assigned all their interest in the bonds and stock of the water company to Wood & Co. Therefore they have no longer any interest, near or remote, in this particular controversy. They are altogether formal parties, whose presence does not oust the jurisdiction of the court, coming within the rule laid down in *Wormley* vs. *Wormley*, 7 Wheat., 451, where the applied test was whether a decree was sought against the party. Here the Holly Company seeks to enforce a charge *in rem*, and Bullock & Co. have neither title to nor interest in the thing.

To the objection that the Farmers' Loan and Trust Company is not joined as a defendant in this suit, it is sufficient to say that as substantially the whole body of bondholders is before the court, the presence of their trustee is wholly unnecessary. Moreover, the enforcement of the Holly Company's specific lien does not involve the validity of the trust-mortgage, nor affect its standing as respects the principal mortgaged thing, the controversy relating to a mere incidental matter. Again, as the joinder of the trust company might oust the jurisdiction of the court, the omission to make it a party defendant is fully warranted by equity rule 47.

That equity jurisdiction to enforce liens, whether upon real or personal property, is clear. 2 *Story Eq. Jur.*, section 1216; 1 *White & T. Leading Cases in Eq.*, 1108, note to *Endnee* vs. *Rutter*. In *Schotsman* vs. *L. & Y. Railway Co.*, 2 Chan. App., L. R., 332, it was declared that a bill in equity will lie to enforce the claim for the price of goods of a vendor who by the exercise of his right of stoppage *in transitu* had reinvested himself with the legal title. Lord Cairns there said (page 340): "I should be prepared to hold this to be a case entirely within the province of this court, and depending on the ordinary principles which regulate in equity the relations of mortgagor and mortgagee, whether of real or personal property, although, for obvious reasons, cases of this kind are more generally and more conveniently brought into a court of law." It will be remembered that in *Gregory* vs. *Morris, supra*, Chief Justice Waite observed that the contract there created a charge

upon the cattle for the purchase-money in the nature of a mortgage. In Fletcher *vs.* Morey, 2 Story C. C. Rep., 555, 565, Judge Story said: "In equity there is no difficulty in enforcing a lien or any other equitable claim, constituting a charge *in rem*, not only against real estate, but upon personal estate, or upon money in the hands of a third person, whenever the lien or other claim is a matter of agreement against the party himself and his personal representatives, and against every person claiming under him voluntarily or with notice; * * * for every such agreement for a lien or charge *in rem* constitutes a trust, and is accordingly governed by the general doctrine applicable to trusts." We have only to add that this case seems to be peculiarly one for a court of equity, in view of the situation of the property, and because the court can grant a reasonable time for the payment of the lien, and, in the event of a sale, may prescribe equitable terms.

Upon the whole case, then, we are of the opinion that the contractual lien of the Holly Manufacturing Company upon the pumping-engines here in question is valid and binding, and is enforceable in this suit.

Counsel may prepare and submit the draft of a decree in accordance with the views expressed in this opinion.

(Indorsed.)

No. 3. October Sessions, 1888. In equity. The Holly Manufacturing Company *et al. vs.* the New Chester Water Company *et al.* Opinion. Acheson, Cir. J. Filed September 19th, 1891.